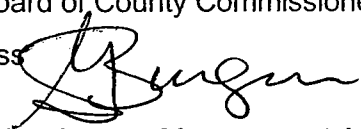# Memorandum

**MIAMI-DADE COUNTY**

**Date:** July 18, 2006

**To:** Honorable Carlos Alvarez, Mayor
Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners

**From:** George M. Burgess
County Manager

**Subject:** Miami-Dade Housing Agency Management Assistance Team Preliminary Report

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Over the past four months, we have embarked on an aggressive and comprehensive initiative to address the critical need for affordable and workforce housing in Miami-Dade County. Due to growing concerns I had with the lack of demonstrable progress in addressing housing and economic development related activities, I asked Cynthia W. Curry to join my management team and gave her an immediate charge to assess our housing operations and all County housing related programs, in order to identify and correct deficiencies and move our housing agenda forward. Senior Advisor Curry joined my management team and immediately began a review of County departments involved in implementing our affordable housing programs including the Miami-Dade Housing Agency (MDHA). This agency is an important component in the management and administration of the County's affordable housing agenda. Several areas such as the Infill Housing Initiative, the Private Rental (Section 8 Voucher Program), and HOPE VI were identified as requiring immediate assistance. These areas are of great concern to me and to the community. The findings detailed in the report on infill housing accepted by the Board on June 6, 2006 further heightened my concerns with the lack of management reporting and supervision, among other more serious concerns, to the extent that I felt it was appropriate that my office share the findings with the Office of the Inspector General which generated further interest by other law enforcement agencies.

In April, the MDHA Director resigned, and I appointed a Management Assistance Team under the direction of Ms. Curry to examine these and other areas of concern at MDHA. Attached is the Preliminary Report compiled over the last three months by the MDHA Management Assistance Team. The report cites key management deficiencies that have seriously impeded MDHA's ability to effectively deliver housing programs and services. Based on the Team's findings, it appears that these exposed deficiencies, some of which we found to have existed for far too long, have seriously eroded the management integrity of MDHA and significantly weakened its operations. In addition to these areas, the Preliminary Report specifically addresses poor management practices in the Finance and Administration Division, and the Development and Loan Administration Division. For instance, as the Documentary Stamp Surtax program was being reviewed, the Team found that information systems do not interface contributing to a lack of meaningful reports on the program's current financial status. Another example includes the lack of oversight for key operational and capital project budgets. The Preliminary Report also identifies additional areas that merit review and evaluation such as the Public Housing Division, the Applicant Leasing Center, and monitoring of homeownership loans, among others. As the Team continues its effort to address all areas of concern over the next few months, it will also focus on implementing an action plan to correct the identified deficiencies.

We are moving expeditiously on a national search for a new MDHA Director. The Preliminary Report's findings, however, indicate the need for immediate hands-on management by my

Honorable Mayor Carlos Alvarez
Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners
Page 2

office. I cannot wait until the new MDHA Director is on board to start addressing concerns and making reforms. Therefore, I have asked Ms. Curry, with the support of the Team, to assume the leadership and responsibility of MDHA's day-to-day operations until a new director is appointed. This includes taking any personnel actions deemed necessary to address departmental deficiencies, including appointments, promotions, demotions, and terminations.

In order to support the work of my office, I have also conferred with the Office of the Inspector General, who has agreed to establish a satellite office at the central MDHA office building.

Affordable housing is an issue that directly affects the quality of life and economic vitality of our community. It is essential that we take the necessary measures to address these housing issues with urgency and all due diligence.

Attachments

C:      Assistant County Managers
        Assistants to the County Manager
        MDHA Management Assistance Team Members

# Memorandum  MIAMI-DADE COUNTY

**Date:** July 13, 2006

**To:** George M. Burgess
County Manager

**From:** Cynthia W. Curry
Senior Advisor to the County Manager

**Subject:** Interim Miami-Dade Housing Agency Management Assistance Team Report and Next Steps

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For the last few months, the Miami-Dade Housing Agency (MDHA) Management Assistance Team has been working in conjunction with Interim Director Rudy Perez to evaluate selected areas within the Agency. Each Team member was assigned to take the lead in reviewing a specific area, with the purpose of highlighting items of concern and making recommendations to improve efficiency and programmatic outcomes. Team members met periodically throughout the process to coordinate efforts and share information and observations.

I asked the Management Assistance Team to focus their review on the following areas:
➢ Finance & Administration (F&A), including Management Information Systems (MIS) and Employee Relations;
➢ Development and Loan Administration (DLAD), with a focus on programs funded by the Documentary Stamp Surtax;
➢ Private Rental Housing (PRH) Division, including Inspections, Customer Service and Information, and Operations);
➢ Infill Housing Program Reorganization; and
➢ Scott/Carver Homes HOPE VI Revitalization Program (HOPE VI).

I am attaching the preliminary report detailing the initial findings and recommendations of the Team. After discussions with the Team, and drawing my own conclusions from the observations and findings over the last few months, it is clear to me that the lack of basic management infrastructure such as: coordinated, unified management information systems; useful management reports; formal processes encouraging competition and transparency; qualified personnel across the board; written policies and procedures in key areas of programming such as Infill Housing and Loan Administration (Surtax); targeted project oversight, as well as comprehensive budget analysis and oversight have severely weakened the operations of the department and have unfortunately left open the opportunity for mismanagement and abuse. At present, MDHA is clearly in a state of management distress and requires my hands-on involvement in day-to-day management operations until the areas above are improved and a permanent director is hired.

The Team will continue to operate throughout the summer. Team members will be assigned to follow up on the issues and recommendations listed in the attached report. However, the Team will also focus on a review of all County operations related to housing and housing finance to determine whether the current structure and distribution of functions is optimal and to develop recommendations for improving the efficiency and effectiveness of these programs.

# MDHA MANAGEMENT ASSISTANCE TEAM

## PRELIMINARY REPORT

July 2006

**MIAMI-DADE COUNTY**

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# MDHA MANAGEMENT ASSISTANCE TEAM

## PRELIMINARY REPORT

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## INTRODUCTION

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On April 26, 2006, the County Manager appointed a Miami Dade Housing Agency (MDHA) Management Assistance Team to work in tandem with Interim Director Rodolfo Perez to analyze certain Agency functions and make recommendations for improvement. Appendix A contains a listing of the Management Assistance Team members, working under the direction of Senior Advisor Cynthia W. Curry, as well as other individuals who made substantial contributions to the work of the Team or to this preliminary report.

Pursuant to discussions with Senior Advisor Cynthia W. Curry, the Team, led by Patricia Braynon, Executive Director of the Housing Finance Authority, focused their review on the following areas within MDHA:

- Finance & Administration (F&A), including Management Information Systems (MIS) and Employee Relations;
- Development and Loan Administration (DLAD), with a focus on programs funded by the Documentary Stamp Surtax;
- Private Rental Housing (PRH) Division, including Inspections, Customer Service and Information, and Operations);
- Infill Housing Program Reorganization; and
- Scott/Carver Homes HOPE VI Revitalization Program (HOPE VI).

Figure 1 contains a high-level table of organization for MDHA with the principal divisions involved in this review shaded.

This report relies on the information available to date and presents the preliminary findings and recommendations of the Management Assistance Team with regard to the above areas. It should be noted that although work is ongoing and expected to continue through the summer, implementation of many of the recommendations is already underway.

The Management Assistance Team has also been working with MDHA and the Department of Procurement Management to develop a Request for Proposal for a consulting firm with deep expertise in the housing area to perform additional analyses on a work-order basis as needed.

The Key Findings section provides a high-level summary of the main issues identified to date by the Management Assistance Team. This is followed by separate sections with more detailed findings and recommendations for each of the areas reviewed.

## Figure 1.  Table of Organization for MDHA

### OFFICE OF THE DIRECTOR

•Administers housing programs; provides direction and coordination of federal, state, and local housing programs to assist low- to moderate-income families; interacts with the County Manager's Office, Board of County Commissioners, and other public and private entities to ensure attainment of the Department's goals and objectives

### COMPLIANCE

•Audits operations for compliance with U.S. HUD and departmental regulations; monitors Public Housing Assessment Scores (PHAS) and Section 8 Management Assessment Program (SEMAP) measures, monitors Adker settlement, and other initiatives; prepares five year plan and annual updates; conducts fraud investigations, grievance hearings, and Section 3 compliance

### FINANCE AND ADMINISTRATION

•Provides administrative support including budgeting, accounting, Management Information System (MIS), procurement, employee relations, contract administration, and materials management; ensures that federal and county requirements are met

### DEVELOPMENT AND LOAN ADMINISTRATION

•Administers Surtax, State Housing Initiative Partnership (SHIP), and Home Investment Partnership Program (HOME) affordable housing programs
•Manages Loan Services unit
•Process construction loans and draws for affordable housing developments
•Monitors compliance of affordable housing funds/units

### DEVELOPMENT

•Identifies and manages new housing development projects, mixed use development acquisition, and disposition activities for County-owned properties; provides architectural/engineering and construction contract administration; and provides oversight of construction and rehabilitation field work; responsible for Scott/Carver HOPE VI Revitalization Program

### NEW MARKETS AND APPLICANT LEASING CENTER

•Accepts applications for public housing and Section 8; determines eligibility, assigns units, and maintains a list of qualified applicants

### PUBLIC HOUSING

•Provides property management and maintenance services including occupancy, relocation, leasing, rent, and evictions

### PRIVATE RENTAL HOUSING

•Administers Section 8 housing programs
•Conducts housing quality standard (HQS) inspections for all programs administered

# KEY FINDINGS

This section summarizes the key preliminary findings of the Management Assistance Team with regard to the focus areas:

## FINANCE AND ADMINISTRATION

➢ The flow of federal funds is insufficient to address the cash flow needs of the Public Housing and Private Rental Housing (Section 8) Programs, and inadequate to address the rehabilitation of Public Housing units. MDHA has been notified that US HUD intends to reduce the funding level to 78 percent of Public Housing program cost for the balance of the current year. The MDHA FY 2005-06 Adopted Budget for this program is based on the 92 percent funding level that US HUD had originally indicated. The U.S. House of Representatives has suggested a funding level of 76 percent for the coming year, but the U.S. Senate has not yet acted on the budget legislation. In addition, US HUD has indicated its intent to change its funding formula from an "agency-based" to an "asset-based" formula. The net financial and operational impact of this change is unknown. Due to the uncertainty of federal funding levels, an open discussion is necessary to determine what service levels will be possible and what measures for supplementing expected federal revenue would be feasible. Appendix B contains a summary of funding sources and amounts by division per the Proposed FY 2006-07 Resource Allocation Plan.

➢ No single system, neither the County's Financial Accounting Management Information System (FAMIS), nor any single software program in use by DLAD has all of the information necessary to generate reports on the current level of available Documentary Stamp Surtax (Surtax) funds. In addition, certain transactions are reflected differently within FAMIS than they are within MDHA's internal systems. MDHA is working with the County's Finance Department to resolve possible discrepancies, and put processes into place to ensure information is consistent and periodically reconciled. Options for adding additional fields in FAMIS to capture information are under discussion.

➢ Key "management reports" with information on MDHA operations as a whole are limited. In particular, this issue is evident with regard to reporting on Surtax, for which reports of balances and uses have not been regularly produced. Going forward, MDHA will provide updates on Surtax balances and outstanding commitments as Surtax items are presented for consideration by the Board of County Commissioners.

➢ Major mission-critical software implementations are imminent for the Agency (Appendix C). Thus, it is crucial that MDHA be strategic in its implementation and that the opportunity be taken to analyze and refine its internal operations (as opposed to simply conforming the new tools to existing processes). Yet it is evident that MDHA is under-resourced in the MIS area at present, and that no single individual or group has been coordinating the various efforts. MDHA must take a more strategic, enterprise-wide view of all of the planned software implementations in order to maximize the efficiencies possible with the upgraded technology. There is an urgent need for a management-level MIS resource that can oversee all implementation efforts and interact with the vendors on behalf of MDHA. Similar

findings were noted in the DLAD and PRH divisions. Though not one of the Team's focus areas, it should also be noted that Public Housing has similar needs.

➤ This Division has lost several personnel in key positions over the last several months. In light of the external and internal challenges facing the agency, it is critical that the administrative and financial functions be appropriately staffed. At present, the Management Assistance Team does not believe that the Division has sufficient staff to effectively manage day-to-day business while undertaking a comprehensive analysis of changes to MDHA operations that will be required by the new funding model promulgated by US HUD and by the anticipated cuts in federal funding for Public Housing and Section 8 Programs. Though F&A has requested and was granted four overage positions in June 2006, and hiring is currently underway, additional resources are necessary to reinforce this function. Immediate steps should be taken to staff critical functions in the short-term while more permanent placements and solutions are sought.

➤ There is a weakness in the middle management ranks in various areas throughout the Agency. Further analysis is needed to determine in which cases the situation can be remedied via training and where it may be necessary to revise roles and responsibilities within a particular unit.

➤ MDHA currently has administrative, support and direct service functions located in 14 different buildings at five different geographical locations. This situation persists due to the problems with and delays in the construction of a new office building, adjacent to the South Miami Metrorail Station, that would consolidate these functions in one location. Consolidation would improve internal efficiency and oversight, alleviate existing space constraints, and allow all functions broadband access to the County's fiber optic backbone. In addition, a number of the buildings currently used to house MDHA functions could be converted back to public housing.


## DEVELOPMENT AND LOAN ADMINISTRATION

➤ A Surtax-specific independent review is necessary. The scope and terms to hire an independent firm to perform agreed-upon procedures have been finalized and data-gathering has begun. An independent review should be performed on an annual basis going forward.

➤ There is a need to develop standard reports on Surtax uses, balances and outstanding commitments to be used as needed by the County Manager's Office, the Board of County Commissioners (BCC), the Affordable Housing Advisory Board (AHAB), in response to public record requests and as management tools.

➤ A significant amount of Surtax funds are allocated outside of the formal Request for Application (RFA) process, such as funding requests for gap financing, supplemental projects, and unanticipated MDHA activities that occur throughout the year (Appendix D). A more formal and structured process should be put into place to handle these requests. The establishment of a mid-year competitive process, in addition to the annual RFA process, where all such requests could be considered at one time is one possible measure currently under consideration.

➤ Until recently, information on Surtax-funded construction loans was located within multiple databases at DLAD. At the request of the Management Assistance Team, DLAD staff created a listing of all open contracts (approximately 100) that contains

the key information required to facilitate regular ongoing reporting. This information should be transferred immediately into a single secure database and kept up to date until the new software that is being configured to track and maintain this information (Allocations Module) can be implemented and tested.

➢ MDHA should assign an Implementation Lead and form an internal Working Group to perform in-depth review of the functionality of the Allocations Module to include determining what pre-implementation modifications are necessary to ensure that all required data is captured and that adequate reporting capability is assured. Migration of data to the Allocations Module should not begin until a thorough review is completed. The software vendor is in the process of converting the Allocation Module from a DOS to a Windows platform. The Working Group should evaluate whether DLAD should implement the current version or hold off on roll-out until the conversion is complete. A similar review should be undertaken for the Loan Servicing module that is presently being configured.

➢ Workflow and processes across the Division must be analyzed and optimized in relation to the capabilities of the new software. An opportunity exists to provide input on the new version currently under production, thus ensuring maximum utility to DLAD.

➢ Management Assistance Team, DLAD and Finance and Administration personnel will continue working with the Finance Department to develop processes for reconciling information between FAMIS and MDHA in-house systems on a regular basis and to discuss possible approaches for tracking commitments in FAMIS.

## PRIVATE RENTAL HOUSING

➢ It is vital to the Agency that PRH maintain a relentless focus on improving its operations and obtaining a passing score on the Section 8 Management Assessment Program certification. A key component of this involves reducing the error percentage to less than 5 percent on data submitted to US HUD through the Public & Indian Housing Information Center (PIC) database.

➢ A project manager is needed to spearhead the implementation of new software for PRH operations and for the handheld units used by Housing Inspectors that is slated to begin in October. It is essential that employees become involved in pre-implementation planning. Workflow and processes should be analyzed to determine how to maximize benefit from the new software.

➢ Though there are still significant challenges ahead, the Management Assistance Team noted many areas of positive improvement at PRH since January of this year (Appendix E).

## THE SCOTT/CARVER HOMES HOPE VI REVITALIZATION PROGRAM

➢ Timelines continue to be a challenge. The HOPE VI project will continue to require a high level of involvement from the County Manager's Office, ongoing coordination with all partners and community stakeholders, and unwavering attention to the project's critical-path timelines.

➢ Due to project delays, the Low Income Housing Tax Credits (LIHTC) originally proposed as a revenue source may not be feasible. Potential alternatives have been identified and are currently under evaluation.

➢ Project financial management has been identified as a weakness. The Management Assistance Team has requested additional support from the Office of Strategic Business Management (OSBM). OSBM's Capital Coordinator is assisting Hope VI and Management Assistance Team staff in revising the project budget and financial information.

## INFILL HOUSING PROGRAM

➢ The real estate component of this program was recently transferred in its entirety to the General Services Administration (GSA). Key concerns with the previous structure of the program had to do with the lack of written procedures and apparent lack of compliance monitoring of properties that had been sold or otherwise conveyed to private and non-profit entities for infill development.

➢ There is a need to amend the ordinance establishing the Infill Housing Initiative Program in an effort to better define the program and enhance the ability of the County to enforce the covenants with recipients of infill lots.

➢ In addition, GSA will draft an Administrative Order and related infill policies and procedures to guide the future operation of the Program.

## OTHER ISSUES

➢ The Management Assistance Team wishes to call attention to a few issues that fall outside the scope of the focus areas, but are nevertheless important and should be addressed. These include:

  ▪ the capital development function;

  ▪ MDHA's role in the Housing Information Clearinghouse website;

  ▪ performance and customer service issues at the Applicant Leasing Center;

  ▪ various issues in Public Housing that have been exacerbated by recent reductions in federal dollars;

  ▪ the need for an internal functional review and realignment;

  ▪ and the development of an implementation strategy for the portion of the General Obligation Bond funding allocated for affordable housing.

# FINANCE & ADMINISTRATION

## F&A – GENERAL

The Finance and Administration (F&A) Division provides a variety of administrative support to the MDHA, including budgeting, accounting, procurement, contract administration, materials management, Management Information Systems (MIS), and employee relations. The Division also ensures that federal and county requirements are met as the Agency fulfills its mission. The following comments relate primarily to the F&A function in general. Two additional subsections deal with MIS and employee relations issues in greater detail.
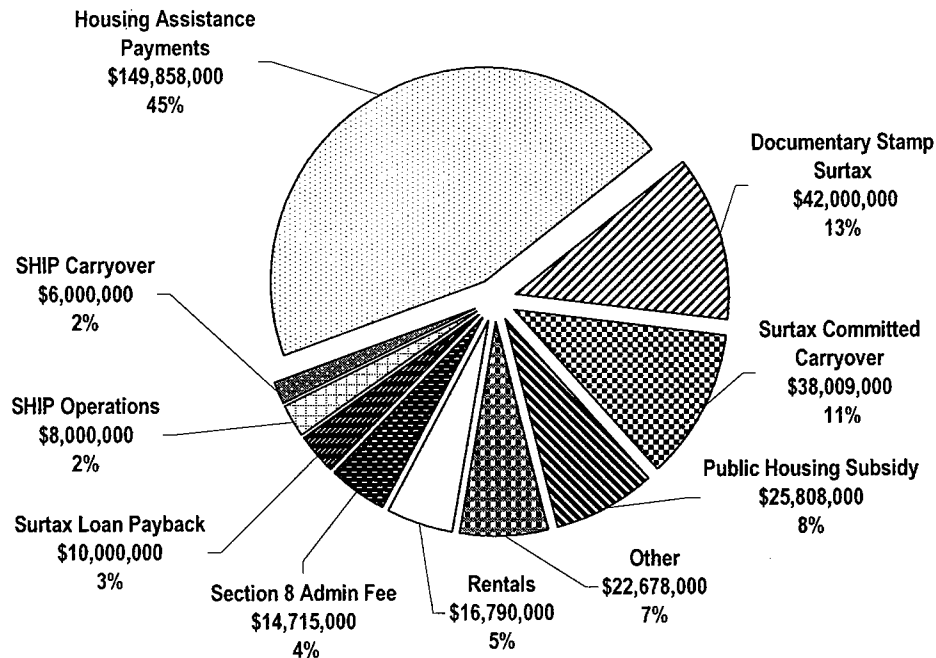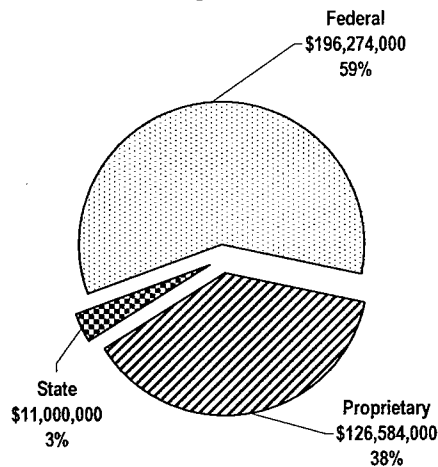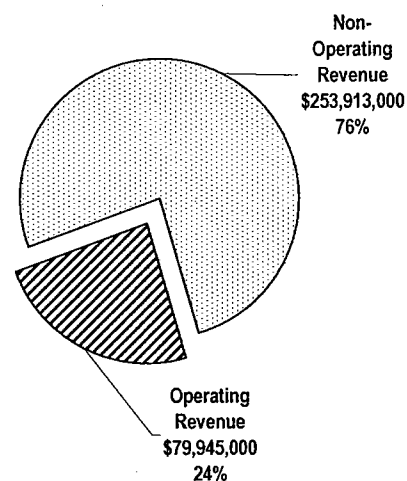
This Division has 62 budgeted positions in the current fiscal year. There are several vacancies in critical areas within the F&A Division that are having a negative impact on the Division's ability to operate efficiently. Key vacancies include: the Assistant to the Director of Finance and Administration, the lead trainer in Human Resources, the two most senior MIS staff members and one of two F&A staff members that work on preparing the budget.

One if F&A principal functions is overseeing the budget for the Agency. MDHA's single largest funding source is federal, comprising 59 percent of the revenue in the Proposed FY 2006-07 Resource Allocation Plan. Proprietary sources, including Surtax, Surtax committed carryover and other fees make up 38 percent. State funds, including the State Housing Initiative Program (SHIP) and SHIP carryover, represent about 3 percent (Figure 2). Some of MDHA's divisions, such as Public Housing and Private Rental Housing, are primarily funded by US HUD, while others such as the DLAD are primarily Surtax-funded. Appendix B contains detail on revenue sources by division.

Two years ago, US HUD changed its disbursement method so that it no longer provides funding to agencies at the start of the fiscal year, but pays out on a monthly basis. Certain costs, such as those for capital projects, must be initially paid by MDHA and later submitted to US HUD for reimbursement. In some instances, this has caused short-term cash flow issues for the Agency. In addition, US HUD has been systematically reducing its funding levels for Public Housing and Section 8 over the last several years. For example, based on US HUD guidance, MDHA's FY 2005-06 budget had assumed a federal funding level of 92 percent of program cost for Public Housing. MDHA has been notified that US HUD may reduce the current year's level to 78 percent for the balance of the current year. For the coming year, the U, S. House of Representatives has suggested a funding level of 76 percent, but the Senate has not yet acted on the budget legislation. In addition, US HUD will be changing its formula from "agency-based" to an "asset-based" will create additional challenges for MDHA. Final guidelines are anticipated by late summer.

Public Housing vacancies are one area that has been particularly impacted by ongoing budget cuts. Though Public Housing was not one of the focus areas for the Management Assistance Team, this is an area of ongoing concern (see Other Issues section).

**Figure 2. MDHA Revenue Sources – FY 2006-07 Proposed Budget**

# MIAMI-DADE HOUSING AGENCY
## FY 2006-07 REVENUE SOURCES
### $333,858,000



Housing Assistance
Payments
$149,858,000
45%

Documentary Stamp
Surtax
$42,000,000
13%

SHIP Carryover
$6,000,000
2%

Surtax Committed
Carryover
$38,009,000
11%

SHIP Operations
$8,000,000
2%

Public Housing Subsidy
$25,808,000
8%

Surtax Loan Payback
$10,000,000
3%

Other
$22,678,000
7%

Section 8 Admin Fee
$14,715,000
4%

Rentals
$16,790,000
5%

**Funding Source**



Federal
$196,274,000
59%

State
$11,000,000
3%

Proprietary
$126,584,000
38%

**Non-Operating Vs. Operating Revenue**



Non-
Operating
Revenue
$253,913,000
76%

Operating
Revenue
$79,945,000
24%

8

Unlike money related to US HUD-funded programs, which are deposited to and disbursed from MDHA bank accounts, all collection and disbursement of Surtax funds take place through the County's Finance Department. Surtax money, though tracked in a separate fund, is part of the County's pooled cash and any deposits or disbursements are tracked by FAMIS. Nevertheless, FAMIS is not currently equipped to capture all the information that is necessary to answer the often-asked question "How much money is available in Surtax to fund additional projects?" because FAMIS currently does not capture information on outstanding commitments against the cash on hand. Likewise, it is not possible to answer this question from without manually integrating data from various internal units and then reconciling this back to the cash balances, inflows and outflows in FAMIS. In addition, there are some concerns over how certain transactions are reflected in FAMIS, particularly with regard to the Surtax fund. MDHA Finance and Administration is in discussions with the County's Finance Department to arrive at a mutual understanding about how items are posted and to ensure that MDHA's internal information is reconciled with that tracked by the County's Finance Department.

MDHA currently has administrative, support and direct service functions located in 14 different buildings at five different geographical locations. This situation persists due to the problems with and delays in the construction of a new office building adjacent to the South Miami Metrorail Station that would consolidate these functions in one location. Consolidation would improve internal efficiency and oversight, alleviate existing space constraints, and allow all functions broadband access to the County's fiber optic backbone. In addition, a number of the buildings currently used to house MDHA functions at the central location (N.W. 7th Street and 14th Avenue) and at the Applicant and Leasing Center could be converted back to their original use as public housing.

## GENERAL F&A ISSUES AND OBSERVATIONS

➤ This Division has lost several personnel in key positions over the last several months. In light of the external and internal challenges facing the agency, it is critical that this function be appropriately staffed.

➤ The review team does not believe that at present F&A has sufficient staff to efficiently manage day-to-day business while undertaking a comprehensive analysis of changes to MDHA operations that will be required by the new funding model promulgated by US HUD. It should be noted that MDHA requested and was granted four overage positions for F&A in June 2006. Hiring is currently underway.

➤ Key "management reports" with information on MDHA operations as a whole are limited.

➤ No single system (neither FAMIS, nor any single tool in use by DLAD) has all of the information necessary to generate a report of the current level of available Surtax funds.

➤ The rigidity in the FAMIS makes it difficult to capture/reflect agency-specific information in it.

➤ The flow of federal funds is not sufficient to address the cash flow needs of the Public Housing/Section 8 Programs, and inadequate to address the rehabilitation of Public Housing units. The outlook for the remainder of this year and for next year is serious. The time has come to take a hard look at the numbers and review the level of service that the County will provide in these areas based on the availability of federal funds and the budgeted compliment of local funds.

> MDHA staff members continue to be scattered over multiple locations. This situation makes it difficult to consolidate support services and exercise effective program oversight.

## GENERAL F&A RECOMMENDATIONS

> Immediate steps should be taken to staff critical functions in the short-term while more permanent placements and solutions are sought.

> Consider the feasibility of contracting with an outside firm to assist in evaluating impact of funding change and identifying how MDHA can maintain service levels and prevent additional loss of revenue.

> With regard to the Surtax account, discussions are underway with County's Finance Department to find ways to better leverage existing capabilities of FAMIS and enhance ability to capture additional information within FAMIS that would provide a better picture of available cash.

> Explore the feasibility of modifying existing MDHA internal systems to capture key fields that will facilitate management reporting and projections

> Develop management reports and a reporting schedule for providing periodic updates on the status of Surtax cash and uses.

> Develop tool and guidelines (pro-forma) for projecting anticipated Surtax inflows and outlays to make sure that sufficient funds are available to meet requests for draws against outstanding commitments, while maximizing the impact of Surtax dollars in the community.

> Once the impact of this year's anticipated reduction in federal funding is quantified, an open discussion is necessary to determine what service levels will be possible and what measures for supplementing expected federal revenue would be feasible.

## F&A – MANAGEMENT INFORMATION SYSTEMS

Since the Management Information System (MIS) structure of the Division plays such an important part in its daily operations, the Management Assistance Team conducted an analysis of the MIS and its impact on other Division processes.

For the last few years, MDHA has had a service level agreement (SLA) with the Enterprise Technology Services Department (ETSD) for Desktop Support, Network Support and Help Desk services. This agreement does not cover MDHA-specific software or tools. MDHA uses a variety of internal software to manage its day-to-day operations. Most of these tools are stand-alone and are not set up to interface with each other. These are supported by an internal MIS staff of five. At present, the top two MIS positions are vacant due to recent resignations.

Upgrades to the software modules used in several key areas at MDHA will be taking place over the next 18 months to two years (Appendix C). Ongoing reductions in traditional funding sources make the successful implementation of technology tools, along with the corresponding re-design of internal processes and retraining of staff, critical to MDHA's ability to operate efficiently and remain in compliance with US HUD, State, and County requirements.

It should be noted that MDHA is not among the departments that has been consulted for input on the PeopleSoft ERP Implementation. MDHA will not be able to use software that does not meet all of the US HUD requirements.

## MIS ISSUES AND OBSERVATIONS

➤ Major mission-critical software implementations are imminent for the agency. Thus, it is crucial that MDHA be strategic in its implementation and that the opportunity be taken to analyze and refine its internal operations (as opposed to simply conforming the new tool to existing processes).

➤ No single information technology (IT) person within MDHA or ETSD has the big picture on all the moving parts (hardware, connectivity, how the different modules being implemented can be maximized, ensuring adequate training takes place, etc.).

   ▪ ETSD staff and internal MIS staff appear to have had limited involvement with implementation planning thus far.

   ▪ Though some preparations are being made at the unit/division level, MDHA does not appear to have an agency-wide implementation plan for the new software.

➤ There is no "off-the-shelf" software that does exactly what MDHA needs, so some configuration and the creation of customized reports will be required.

➤ New software will have a dramatically different "look and feel" from the current tools used by the DLAD, and there is reluctance among some of the staff to part with existing "known" tools and ways of working.

➤ The current SLA with ETSD has been in place for a couple of years without revision. Given the construction delays with MDHA's new building and the changing needs of the organization, the current SLA terms/scope may no longer be optimal.

➤ DLAD staff plans to run both legacy and new systems simultaneously for some time after the new software is initially implemented. Though this is a reasonable and a prudent strategy, it may more than double staff workload in the months after roll-out, and the day-to-day work of the agency will be impacted.

➤ Recent departures/resignations of two most senior people in MIS leave this function considerably weakened at a time when it is becoming more critical than ever.

## MIS RECOMMENDATIONS

➤ MDHA must take a more strategic, enterprise-wide view of the various planned software implementations.

➤ MDHA needs a full-time management-level IT resource to act as the "Implementation Lead" and be responsible for coordinating all aspects of the software implementation and related hardware and connectivity needs and for representing MDHA's interests during the roll-out of new technology.

➤ Appoint an Implementation Working Group led by the Implementation Lead that includes representatives from all affected units and MDHA IT staff. The Working Group will, at a minimum:

- Develop a comprehensive software implementation plan that will assist in proper planning and resourcing at critical junctures in the roll-out. (ETSD has certified IT project Management Officers that could assist with developing such a plan.)

- Work with the DLAD leadership to assess and plan for anticipated spikes in workload during period prior to roll-out and just after when systems will run parallel and testing will be underway.

- Act as a link between operations and IT and facilitate sharing of information and pro-active issue identification.

- Establish contact with other jurisdictions that have recently implemented the software being rolled out to get the benefit of their feedback/expertise and anticipate likely problems.

- Assess best way to use training services included in software agreement (general training, train the trainer); identify tools other than live training that staff can use at their own speed; assess whether current agreements include sufficient training time.

➢ Revisit and renegotiate SLA terms with ETSD as necessary to meet current needs. Take the opportunity to revisit the areas of responsibility of internal MIS vis-à-vis those of ETSD.

➢ Update inventory of all IT assets and review and clarify procedures and responsibilities between MDHA Accounting, Internal MIS and ETSD for IT asset tagging and tracking.

➢ It should be noted that at the time of this writing, the F&A Division has proposed a plan for addressing many of the MIS concerns listed above.

## F&A – EMPLOYEE RELATIONS

The Management Assistance Team recognized that, at this juncture in its development employee relations issues played an important role in the effective operations of the Division. During FY 2005-06, MDHA eliminated 84 full-time positions due to federal funding reductions and the elimination of long-term vacancies.

Recent negative press, increased scrutiny, the resignation of the Director and the departure of several long-time employees throughout the Agency, has had a negative impact on morale, and increased staff's anxiety with regard to job security and the future prospects of MDHA overall. Despite this, it is evident from conversations with employees that there are many people who care passionately about MDHA and the work they do.

### EMPLOYEE RELATIONS ISSUES AND OBSERVATIONS

➢ Bad press and low employee morale are making it very difficult to fill vacancies in the agency. Recent recruitment efforts have been less fruitful than usual. There are some key areas that require immediate attention, particularly in Finance and Administration, where just following the standard approach and timeframes represents a heightened risk for MDHA.

➢ There is a weakness in the middle management ranks in various areas throughout the Agency. Further analysis is needed to determine in which cases the situation

can be remedied via training and where it may be necessary to revise roles and responsibilities within a particular unit.

➢ Recent loss of the lead trainer has weakened this function and put additional burden on remaining staff at a time when the agency is facing large challenges in the personnel and change management area.

➢ Hiring managers in some areas have not always followed the proper rules/procedures in designing and executing structured interviews during the recruitment process, so MDHA human resources staff is more involved in parts of the process that are traditionally the purview of the hiring manager/supervisor.

## EMPLOYEE RELATIONS RECOMMENDATIONS

➢ Work with the Employee Relations Department (ERD) to assess personnel needs and develop plan to address and fast-track getting resources to fill key gaps in an expedited time-frame.

➢ Analyze areas where interim support may be provided from elsewhere in the Agency or the County.

➢ Work the necessary steps to expedite hiring.

# DEVELOPMENT AND LOAN ADMINISTRATION

DLAD is responsible for managing the funding allocated by the Board of County Commissioners from various funding sources to provide affordable housing to the residents of Miami-Dade County. The large majority of DLAD's funds come from the Documentary Stamp Surtax assessed on all transfers of commercial property ($0.45 for every $100.00 of value transferred). The main uses of Surtax funds are for the following:

- 2<sup>nd</sup> mortgages to private and not-for-profit developers of affordable single family and multi family housing. This includes both units intended for sale and for rental;

- 2<sup>nd</sup> mortgage assistance to low to median income individuals who wish to purchase a home;

- Loans to assist with rehabilitation of an existing dwelling or the acquisition and installation of hurricane shutters for low income individuals; and

- Counseling contracts such as homeownership counseling.

The first category was the primary focus of the Management Assistance Team. Most funding for new construction is awarded through a Request for Applications process (RFA) coordinated through the Office of Community and Economic Development (OCED), though MDHA handles the Housing component. Historical data shows that approximately 50 to 60 projects are recommended for Surtax funding for a dollar amount of $30 to $50 million annually. The RFA process lasts a minimum of 10 months. The initial phase of the process, (advertisement) is usually scheduled for June while BCC approval is targeted for December, but has taken place as late at March. Contracts with developers that receive a Surtax allocation are then executed within three months of BCC approval. Contract are valid for initial terms of 18 months (private developers) or 24 months (not-for-profit developers), though extensions may be requested. The developer can close on the loan at any time within the contract period upon presentation of appropriate documentation. A partial or total draw of the allocated amount may also be taken concurrent with the closing on the loan, or at any time thereafter, upon presentation of appropriate draw documentation.

Additional Surtax funds are committed throughout the year either as supplemental projects or incremental (gap) financing. Most of the projects that receive gap financing are projects that at one time went through the RFA process and were awarded an allocation. Surtax funds may also be committed as internal loans. Appendix D contains a report on all non-RFA projects funded over the last six years.

A significant amount of time was spent reviewing Surtax funding to determine outstanding commitments, and to estimate future expenditures and revenues in order to project Surtax cash flow and balances over the next few years. MDHA has worked with the Management Assistance Team and the Finance Department to produce a report on the existing Surtax cash available relative to anticipated expenses and disbursements through the end of the fiscal year (approximately $62 million), as well as the value of total outstanding commitments to date (approximately $81 million) that will be funded from existing cash, future Surtax revenue, interest income, loan repayments, and other related fees collected by DLAD. MDHA worked with the Management Assistance Team,

County Finance Department personnel, and independent financial consultants to develop a detailed pro forma that will be updated regularly to assist MDHA in pro-actively managing anticipated Surtax revenues and outstanding commitments. A detailed report on the Surtax current and projected cash balance will be transmitted under separate cover.

As referenced in the MIS section of this report, the MDHA is upgrading its computer systems to "Emphasys Elite" for both federal and Surtax-funded programs. DLAD commenced the software implementation for the unit dealing with individual homeownership loans and has purchased a module (Allocations Module) to facilitate tracking and reporting of the Surtax-funded projects. We have requested copies of the contract and have observed a demonstration of the software for both the Housing Development and RFA process applications.

## DLAD ISSUES AND OBSERVATIONS

➢ No in-depth audit specific to Surtax has been conducted in over five years.

➢ A significant amount of Surtax funds are allocated outside of the formal RFA process (such as funding requests for gap financing, supplemental projects and MDHA activities that are presented throughout the year). Internal procedures for reviewing and processing such requests are not as structured as those used in the RFA process. In addition, there have been cases where items that had not been reviewed by MDHA were placed on Committee and BCC agendas.

➢ No ad hoc reporting tools in place to review and manage program overall. As such management has not had the benefit of proactively 'managing' the Surtax funds.

➢ Staff has a good handle on individual loans but works in a more "reactive" than "proactive" matter. Developers contact them for mortgages, draws, and gap financing. Staff does not reach out to developers.

➢ DLAD's various units do not operate on a common platform or software. Every unit has developed its own tools and data repositories for tracking the same information just at different stages of the process, and no quality control procedures are in place to ensure data integrity. This results in duplication of efforts in data entry and file systems and raises questions about the integrity and completeness of reports released by the Division.

➢ In some instance actual practices and responsibilities are not consistent with those indicated by the table of organization.

➢ It is difficult to get a comprehensive picture of DLAD operations as a whole. Neither procedure manuals nor training manuals were made available.

➢ New Allocations Module (the software designated to track the entire developer loan process from RFA through to mortgage closing as well as track current available balances in Surtax and SHIP funds) may not fulfill all of DLAD's information needs. The current version of the software module that would be implemented is written in a DOS-based format. There is a new Windows-based development in process, with Beta testing anticipated at the end of the year. Staff has exhibited anxiety over the implementation.

➢ Until recently, information on Surtax-funded construction loans resided in multiple software and databases at DLAD. At the request of the Management Assistance

Team, DLAD staff created a listing of all open contracts (approximately 100) that contains the key information that would be required for ongoing reporting. Mid-level staff has spent the month of June compiling the Surtax Development loan information for the last five years. This information is in an Excel spreadsheet and is extremely useful as long as it is updated daily.

➢ Storage of RFA submissions, loan documents, and other related documentation is becoming a problem. DLAD is running out of space to store these materials on-site.

➢ It should be noted that the Team only had time to do a cursory review of processes related to homeownership and rehabilitation loans or to complete its review of DLAD's compliance function at the time of this writing. These are areas that require additional investigation.

## DLAD RECOMMENDATIONS

➢ A Surtax-specific independent review is necessary. The scope and terms of an agreed-upon procedures engagement have been finalized, and work will begin in mid-July. An independent review should be conducted on an annual basis going forward.

➢ A more formal and structured process should be put into place to handle non-RFA requests internally. In addition, consideration should be given to establishing a mid-year competitive process, in addition to the annual RFA process, where all such requests could be considered at one time. Other than in extremely exceptional cases, Surtax funding requests would not be entertained outside of these two processes.

➢ Immediate steps should be taken to direct staff to begin looking at how each loan fits into the overall process. DLAD staff must continue to deal with day-to-day tasks and operations, but also learn to be proactive in making projections for the future activity on their projects in order to better forecast draw requests; upcoming closings; pending contract executions, cancellations and/or extensions.

➢ The recently compiled data on the approximately 100 open Surtax-funded projects should be immediately transferred into a secure database and kept up to date until the new software that is being configured to track and maintain this information (Allocations Module) can be implemented and tested. Creating this interim database should be a priority and will make it much easier to generate status reports in the future and to eventually migrate the data to the new Allocations Module.

➢ Develop standard reports on Surtax uses, balances and outstanding commitments to be used as needed for CMO, BCC, AHAB, public record requests and as management tools.

➢ Immediately develop process and procedures to map and link the RFA process across work units. Annotated flow charts for each stage of the process, including associated personnel and job duties, should be created to give a visual understanding of the process as a whole. The individual components of the whole should be further defined.

➢ Review table of organization and current staffing and job duties to ensure appropriate staff, salaries, and evaluation tools are in place for each unit.

➢ Task mid level managers to write procedure manuals for each unit. Upper management should review these to ensure compliance with overall Division management objectives and mission.

➢ DLAD needs a full-time management level MIS resource in-house that can lead and coordinate the various software implementation initiatives underway.

➢ The Implementation Lead and Working Group (see MIS Recommendations section) should perform in-depth review of functionality of Allocations Module to determine what pre-implementation modifications are necessary to ensure that all required data is captured and adequate reporting capability is assured. Data migration should not begin until a thorough review is completed. The Working Group should evaluate whether DLAD should implement the current version or hold off on roll-out until the Windows-based conversion is complete. A similar review should be undertaken for the Loan Servicing Module that is presently being configured.

➢ Analyze and review the process to determine if the time line can be reduced by doing a separate process from that of OCED.

➢ Management Assistance Team, DLAD and F&A personnel will continue working with Finance to develop processes for reconciling information between FAMIS and MDHA in-house systems on a regular basis and to discuss possible solutions for tracking commitments in FAMIS.

➢ Clear, quantifiable performance metrics should be identified for each unit/individual and reported to the Division Director on a regular basis. Staff evaluations should correspond to results.

➢ If SLA with ETSD continues, assign responsibility in-house for one person to coordinate the requests to the help desk. Analyze the service vs. the cost and determine the value and renegotiate SLA if necessary.

➢ An analysis of the storage requirements should be conducted. Possible solutions include imaging systems, requiring developers to submit their RFA on CD.

# PRIVATE RENTAL HOUSING

In reviewing the PRH Division, the Management Assistance Team paid particular attention to the review of personnel, unit organization, processes, workflow and automated systems. It is important to note that prior to the implementation of the Management Assistance Team, MDHA had already started making significant changes in the management, organization and processes of the PRH Division. This was due to a number of factors, including low scores on the Section 8 Management Assessment Program (SEMAP) and a very negative report from the Office of the Inspector General, US HUD, regarding an audit of Housing Quality Standards (HQS) results in rental units. Though aspects of the latter were successfully appealed by MDHA, the agency nonetheless is taking deliberate steps to address the deficiencies identified by that audit.

Ms. Sonia Vargas, a senior manager from the F&A Division, was appointed Acting Director of PRH in January 2006. The appointment was recently made permanent. Her participation in prior management reviews, knowledge of the unit's operations and services, and track record are assets and represent a good investment in the Department's turn-around strategy for Private Rental Housing.

Prior management reports have pointed to various proposed strategies for increasing the effectiveness of PRH operations, including reorganization and redistribution of work. The table of organization is under active revision. The plan is to continue to review every position, create position descriptions, and realign the staff into work teams. Middle management layers are being eliminated to allow unit supervisors to report directly to one of two Assistant Directors. A draft of the proposed table of organization, position descriptions and classifications are under review with ERD. There are several areas within the Division that are showing early signs of improvement (Appendix E).

The Division must score more than 61 percent on the SEMAP certification. In order for the Department to get a passing score on the SEMAP indicators, the error percentage on the data submitted to US HUD through the Public & Indian Housing Information Center database (PIC) cannot exceed 5 percent. At this time the error rates are somewhat higher than this. As to the role of the inspections program, two of the 15 SEMAP indicators are tied to the Housing Quality Standards (HQS); two indicators are tied to PIC scores; and the rest are self-certified.

The buildings at 2153 and 2103 Coral Way are in need of interior renovation and maintenance. The electrical, plumbing, and mechanical systems in the building break down and are a continuing detriment to work, health and safety for both employees and clients alike. MDHA postponed any expenses toward the maintenance and improvement of these buildings because it planned to move to a new office building to be erected adjacent to the South Miami Metrorail Station. Construction has been plagued with delays and is currently on hold, creating an urgent need for considering alternative measures. Telecommunications and computer infrastructure need to undergo maintenance and/or replacement in order to improve MDHA's responsiveness to US HUD and to its local customers.

This section discusses general issues and recommendations regarding the Private Rental Housing Division. The sections that follow address specific areas within the

Division: Inspections, the New Customer Service and Information Unit, and Private Rental Housing Operations.

## GENERAL PRH ISSUES AND OBSERVATIONS

➢ There are just a few weeks left to meet the September 30, 2006 deadline for putting the Division in compliance with PIC standards. Managers need to stay on top of error rates in the PIC and Electronic Income Verification (EIV) programs as well as paying attention to the results on samples of HQS inspections.

➢ The Division will begin implementation of new systems software in October. The new software will be used to manage PRH operations and will include an upgrade of the waiting list functions (managed by the Applicant Leasing Center). Concurrently, new software will be rolled out for the handhelds used by Housing Inspectors. This will undoubtedly require a review of workflow and processes. These factors will impact performance measures.

➢ Training and skill building is an urgent priority for management. Some existing employees have been identified as lacking essential skills such as basic math, computer literacy and interpersonal and communication skills. The advent of new computer systems, possible form changes and workflow changes will place more demands on existing staff. If they do not have the skills to perform satisfactorily, the department's plans to improve its standing with US HUD will fail. This is especially critical with improvement in the PIC and SEMAP scores.

➢ Previous studies from the Florida International University Institute of Government have stated that the organizational culture of the PRH Division is "bankrupt", citing a lack of professionalism, accountability, skills, and poor work ethics. Creating a culture of accountability and high performance will not be easy.

➢ There have been four Division Directors since 1998. The lack of management stability has been a factor in the division's performance. MDHA has to provide significant long-term support to the new Director in order to improve the Division and the housing agency's performance.

## GENERAL PRH RECOMMENDATIONS

➢ Open recruitment of vacant positions will bring in new ideas and attract qualified and experienced personnel. Managers must be vigilant that new employees are trained by those that "get the change" instead of by those that are resistant.

➢ During this critical time, any employee performance deficiencies, particularly those that impact the Division's ability to meet its SEMAP and PIC targets, must be immediately addressed and the appropriate action implemented (such as additional targeted training, realignment of responsibilities, or disciplinary action).

➢ To track the Division's progress against its PIC, HQS and SEMAP targets, biweekly assessments should be made and appropriate staff resources should be dedicated to correct files and complete the recertification process. HQS auditors need to complete their sample inspections and provide immediate feedback to housing inspection staff.

# PRH – INSPECTIONS

The Housing Inspections Unit (HIU) provides compliance inspection services for multiple PRH programs. Most of the programs require initial inspections, annual inspections, and inspections in response to specific complaints. Staff follows local Chapter 17 Minimum Housing Standards, local building code and HQS guidelines from US HUD.

The Unit currently consists of two work teams with clerical/administrative support. The Housing Inspector Supervisors each manage a group of inspectors that have countywide territories. The approximately 18,000 inspection eligible units are spread over the Miami-Dade County area because of the location and variety of housing structures within the program. The current computer system provides information of the day's inspections and the type of inspection. Inspector routing is being done by zip code area.

The Inspections Unit will receive new hand-held software in conjunction with the roll-out of the new module for PRH.

## PRH INSPECTIONS ISSUES AND OBSERVATIONS

➢ The program used to develop the daily inspection routes is not always accurate and does not allow for reassignment of inspections. As a consequence, a staff person with considerable routing skills must review the list, correct mistakes, and make manual route additions to cover inspector absences and other factors.

➢ Staff uses both paper and handhelds. There is double paperwork because daily route sheets are used and there is additional information that appears only on those route sheets that is used to create management reports. The current process makes math errors likely and is time-consuming for staff and supervisors.

➢ To process and analyze inspections information for multi-family buildings in the Substantial and Moderate Rehabilitation and new construction programs, supervisory staff must retrieve and review data, then manually input it into an Excel spreadsheet. There are other instances where supervisors have to manually look up individual results and transfer information to paper.

➢ Supervisors spend a great deal of time pulling together reports and analyses to meet HUD reporting requirements and internal requirements. This leaves little time to audit their employees for evaluation and training purposes.

➢ The data from the Newton handhelds currently used by inspectors can only be uploaded at certain Unix-based workstations that can access the current software used to manage inspections. There are only three workstations that are equipped for this purpose, and there are 12 housing inspectors who must access the system at the beginning and end of the day. This creates a bottleneck for staff and inconveniences other staff whose workstations are out of use.

➢ Staff loses valuable processing time when the checks are being cut. In fact, no one can access the system to make changes when the checks are being run. In an organization of this size, this is an annoying impediment to workflow and productivity. Two work days out of 20 means that the system is unavailable 10 percent of the time. This represents a significant loss of productivity for all employees who must access and use the system.

➢ Staff is reliant on the cooperation of tenants and/or landlords to gain access to the units to be inspected. Ineffective communication or poor cooperation results in

wasted inspection efforts. Unlike Building Inspectors who mostly go into open vacant structures, staff can't do their job if the tenant or landlord is not present to grant access.

➢ Housing supervisors expressed their disappointment with the removal of vehicle tracking devices from field inspector vehicles. They felt that they had a better handle on the whereabouts of staff and the amount of time spent at each stop. (It is important to note that central MDHA managers disagree with the perception of use of the vehicle tracking information. They said it was seldom requested by housing inspections managers and administration was the initiator of investigations for the most part.)

➢ Performance measures have not been established for this unit and it may not be possible to set them until the new automation package is fully installed and operating. Team Metro will be providing some benchmarking information as its staff conducts similar Minimum Housing Standards inspections in Unincorporated Miami-Dade County and the City of Miami. It is important to note that US HUD has not established a workload standard for housing inspections.

➢ Staff has not been involved in a user requirements study for the new software coming on line. The need to proceed with software purchase for the Section 8 functions is obvious and the selection of a nationally known and proven product was a wise decision, but it is still not certain whether the new module will meet all of the Division's needs. This is particularly important to examine prior to implementation since the new software code is not open source, so the ability to customize is limited.

## PRH INSPECTIONS RECOMMENDATIONS

➢ We recommend that a high-level project manager be selected to implement the new software. The project manager would lead an-depth pre-implementation review of the new software's capabilities and identify areas where additional pre-implementation modifications will be required in order to meet the Division's needs. The project manager, together with the PRH Director, need to also have the authority to settle disputes and authorize procedures among different workgroups so that the workflow serves the organization as a whole without negatively impacting work units.

➢ It is absolutely essential for PRH staff to analyze the workflow and processes that must change to work with the new Section 8 software. A group of employees should see the new software in use in another agency. This will give them an understanding of the software's capabilities, reports available and other features.

➢ The key to more effective controls and performance rely heavily on freeing the Housing Inspector Supervisors from daily clerical tasks. They need to refocus on managing workloads, improving individual performance and on meeting quality standards. Effective reports for analysis and a flexible scheduling program will allow the staff to better organize their inspection routes, and meet the needs of the various programs they serve.

➢ Inspection Unit vacancies and overages are to be filled to bring the unit to full staffing. Four Housing Inspector overages have been approved by the Office of Strategic Business Management. These overages are necessary for the Unit to meet its annual inspections requirements and adequately address Housing Standards violations complaints.

➤ Vehicle tracking devices should be reinstalled in inspector vehicles. This will provide better accountability and allow for analysis of performance data so that accurate benchmarks can be established.

➤ Results have been mixed with the use of handhelds in other jurisdictions. The new handhelds must be able to carry multiple inspection forms, load prior report results and allow for the loading of all of the statistical information on the daily route sheets that supervisors use for their administrative reports. If the handhelds cannot alleviate the inspector manual forms, there will not be a substantial gain in efficiencies for field and management staff. One of the studies produced by Florida International University's Institute of Government recommended tele-forms as an alternative way of getting data out of and into case files.

➤ The problem of the bottleneck in uploading handhelds is expected to be eliminated with the new system, because each PC workstation will have download capability. It is important to note that staff has not had an opportunity to contact other agencies to ask questions about procedures and the time it may take to do data transfers.

➤ It is recommended that MDHA explore the processing of Section 8 checks during off hours to lessen the impact on daily operations. The new software is expected to eliminate the downtime because check processing will be able to occur while the system is in use by others at MDHA.

➤ It is recommended that PRH explore the cost and operational impact of instituting a 4 by 10 work schedule (four 10-hour days instead of five 8-hour days). In particular, increasing the length of the workday may reduce the number of instances when an inspector is unable to gain access to a unit due to absence of the tenants or landlord.

➤ PRH should also work with 311 to set up inspection appointments and make reminder calls to reduce the number of broken housing inspection appointments.

## PRH – NEW CUSTOMER SERVICE AND INFORMATION UNIT

Part of the reorganization within the PRH Services area is the creation of a customer service unit. Interviews, observations and past management studies have pointed out the need to have telephone calls and information requests handled more efficiently and effectively. Housing specialists waste valuable appointment "face time" when they have to take calls. There are three major kinds of callers – persons wanting information about the program and eligibility rules; established clients who are participants of Section 8 and other housing programs; and landlords who have tenants or buildings that are part of housing programs. The existing customer service unit primarily serves as receptionist and message taker.

Staff's answer to this need is to create a true customer services unit. The 311 call center has a valuable role to play in effective customer relationship management. A meeting was recently held with the key players of the PRH staff and the 311 call center manager. After discussing the needs of the PRH and the services available through 311, all parties agreed that 311 would play a key role in deploying improved customer relationship management. PRH staff has committed to review, expand and continue to update/maintain the knowledge base pertaining to PRH so that more calls can be routed through 311. In addition, the web pages will be enhanced to provide additional information to tenants and landlords.

## PRH CUSTOMER SERVICE AND INFORMATION UNIT ISSUES AND OBSERVATIONS

➢ There is a critical need to assess and update the existing telephone system and switch at the Coral Way location. The true number of calls may be more than is experienced by staff. The County's experience with Animal Services was that the old phone switch didn't have sufficient capacity to hold and track all of the calls made to it. PRH staff suspects that this may be a similar situation.

➢ It is essential that information be available to 311 staff to answer questions for existing clients and landlords. This requires a good interface with the soon-to-be-installed PRH computer applications.

## PRH CUSTOMER SERVICE AND INFORMATION UNIT RECOMMENDATIONS

➢ Obtain a call volume study through BellSouth to determine the true incoming telephone call count. Work with 311 and ETSD to prepare recommendations for most efficient way of using/modifying telephone systems to meet true needs.

➢ The Division should use the 311 Customer Service Request application to track customer complaints and get better accountability and feedback through the 311 customer feedback loop.

➢ 311 presents opportunities to use staff to make reminder calls for everything from initial and annual compliance inspection dates, complaint investigation appointments, to annual voucher recertification appointments. A pilot should be started at some future point to see if call reminders to tenants and landlords reduces failed appointments. Evaluate the feasibility of using 311 to make appointments.

➢ Opportunities exist for 311 staff to be able to fax forms and information or to email it. PRH should identify opportunities for offering these value added services through 311. Mailing can also be done however; there must be a charge mechanism to pay for postage used at 311 on behalf of the MDHA.

# PRH – OPERATIONS

Since the assignment of the new Director, this is the area that has received the most attention. Reorganization and processes have been modified to create better client relationships, increase the number of participant files processed and decrease failure rates in file and information processing. In order for the department to get a passing score on the SEMAP indicators with US HUD, the failure rate on the PIC cannot exceed 5 percent. Staff is still in catch-up mode to correct historical errors in the PIC report and to meet the PIC reporting goals.

To assist in addressing this and other process issues, a social work client services model was implemented in March, 2006. This model created five teams to handle all of the participants and landlords. A client is assigned to one dedicated Housing Specialist who will retain the client for as long as they remain in the program and handle all phases of the application and verification process, including leasing. These changes have made each employee accountable for the content and whereabouts of their clients' files and reduced the number or errors made having "too many hands" in a file. In addition, the new structure incorporates quality control staff charged with auditing the files, tracking failure rates, tracking audit results and assisting with improvement plans.

The implementation of the new software package is being delayed until October 2006 to give staff the opportunity to cleanse data and achieve a satisfactory passing score on the SEMAP.

## PRH OPERATIONS ISSUES AND OBSERVATIONS

➤ It is important to note that several years ago, US HUD began instituting a series of programs and auditing requirements that demanded better quality information, workflow and employee performance assessment. It is within this timeframe that PIC (1998), SEMAP (1991) and EIV (2004) became requirements for housing agencies. All of these programs placed more pressure on employee performance improvement for better results. In fact, US HUD has been requiring housing agencies to reduce their error rates by lowering the acceptable percentage of errors. The PIC allowed error rate has gone down from 15 percent to 5 percent or less. The agency is now involved in a high stakes catch-up mode to avoid administrative fines and possible reduction in housing rental assistance funding levels. At this writing, the Division's error rate is still in excess of the target.

➤ The rejection messages in the HUD programs are often cryptic and require an experienced user to evaluate the error message and identify the erroneous information, whether it is a bad birth date, social security number, name misspelling, or other piece of data that caused the record rejection.

➤ It has been said that the new software will require more use of the electronic forms and less use of paper. There may be a significant amount of employee resistance to getting off paper and onto electronic data entry. A review of file and forms management will be necessary as part of the new software implementation.

➤ New hires in these areas need to be trained by supportive and knowledgeable managers. All employees must receive periodic feedback and performance reviews throughout their probationary period. This is PRH's opportunity to improve its operation and performance from the ground up.

➤ There is a population of about 4,000 elderly who may need special assistance in initial application or annual recertification.

## PRH OPERATIONS RECOMMENDATIONS

➤ Staff needs to stay focused and productive to correct PIC and SEMAP failures.

➤ Now more than ever, any employee performance deficiencies, particularly those that impact the Division's ability to meet its PIC and SEMAP targets, must be immediately addressed and the appropriate action implemented (such as additional targeted training, realignment of responsibilities, or disciplinary action).

➤ Staff should explore ways to see some of the 4,000 elderly who may need special assistance in initial application or annual recertification closer to their home. If the new system is available via the portal, there are many choices of existing decentralized county facilities where staff could work. In some cases, at-home appointments may become necessary. The aging population of Section 8 Housing Choice Voucher holders will necessitate more creativity in serving this clientele.

➢ The Division has undertaken an analysis of the most common errors made that impact the PIC and SEMAP results. Training is being prepared to help staff significantly reduce the top 10 types of errors in an expedited timeframe.

# INFILL HOUSING PROGRAM

The preliminary review of the County's infill housing program[1] resulted in the transfer of the entire real estate component of the program to GSA as of June 5th. This transfer will allow for the proper execution of property transfers and monitoring of the inventory of county-owned sites that have been transferred to private developers and deed restrictions that require timely development of these properties. An additional advantage is the expertise that GSA staff can bring to the due diligence that the County will now perform prior to the transfer of the property. This due diligence will provide for the transfer of properties that are as development ready as possible thus allowing developers to fulfill their obligations without undue investment of time and money.

A first step in the transfer of the program to GSA was outreach to infill developers. On May 26, 2006 a meeting was held with Infill Housing Developers for the purpose of explaining changes in the program. As a result of the meeting, a grace period was issued through September 30, 2006 for the purpose of providing County staff with sufficient time to evaluate the Infill Housing program and to meet with the infill developers. The grace period will allow time for GSA to determine how the program should be organized, what changes are needed in the legal documents used to transfer properties, what level of due diligence the County will perform and how to increase consistency between deed and financing/regulatory requirements such as impact fee reimbursements.

GSA is in the process of meeting with all the Infill Housing developers to determine if the County's inventory of infill parcels is consistent with the inventory held by each developer and to assess the capability of the developer to meet the requirements of the program. The result of these meetings should include the determination of whether development time extensions are necessary or should properties be returned to the County. These meetings will also provide information regarding the challenges of the current infill program and may identify opportunities where the County may facilitate the development of infill housing. One such opportunity may the establishment of an expedited permitting process for infill housing.

GSA is also working on an Administrative Order (AO) that will define the parameters of the program and provide for operational procedures of the program. It is anticipated that the AO will be completed in September, prior to the end of the grace period. Before finalizing the AO, there will be meeting with all developers to review the proposed language and to seek additional input regarding the operation of the program.

## INFILL HOUSING PROGRAM ISSUES AND OBSERVATIONS

➢ Significant concern and misinformation within the community of infill developers regarding the future of the program and the County's intentions with regard to parcels previously sold or conveyed under this program.

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[1] For full report and recommendations, see memo entitled: *Report on the Status and Recommended Changes to Infill Housing Initiative Program and Affordable Housing Development*, accepted by the Board of County Commissioners on June 6, 2006 (File No. 061414).

➤ No administrative order was ever put forth in response to the legislation creating the program.

➤ The Program's lack of formal procedures and guidelines for determining whether and to which entities parcels should be sold or conveyed.

➤ The Program lacked effective tracking and compliance monitoring.

➤ Many infill properties appear to have title issues that delay the development process.

## INFILL HOUSING PROGRAM RECOMMENDATIONS

➤ Complete one-on-one meetings with developers.

➤ Convene a meeting with the County Attorney's Office, financing staff and regulatory staff to review inconsistencies in relevant documents.

➤ Explore the feasibility of creating an expedited permitting program for infill housing.

➤ Review existing program in other jurisdictions to determine best practices in Infill Housing development.

➤ There is a need to review and amend the Infill Housing Initiative Program legislation to better define the program and enhance the ability of the County to enforce covenants with recipients of infill lots. In addition, an AO and related infill policies and procedures must be put into place.

# THE SCOTT/CARVER HOMES HOPE VI
# REVITALIZATION PROGRAM

The Scott/Carver Homes HOPE VI Revitalization Program (HOPE VI) is budgeted to leverage $35 million in HOPE VI federal funding at a ratio of 3:1 with many community and economic development initiatives underway either within or very near the HOPE VI Target Area. The project entails the demolition of 850 functionally obsolete and deteriorated dwelling units and the construction of 419 new dwelling units comprised of 160 public housing units and 259 affordable homeownership units.

In the six years since the HOPE VI project was begun, it has had three different directors. As a result of repeated delays with the project, the County Manager's Office has been more directly involved with the project since August of 2005. At the time that the County Manager's Office assigned oversight to the project, predevelopment activities such as demolition, design and installation of a portion of the infrastructure and a portion of the platting had been completed. Due to the firing of the architect of record and failure to replace the architectural services, the design of the Phase I units were completed but plans were not in a form that could be submitted for permits and the site plan for Phase II was not completed.

In an effort to get the project on track, Phase I was awarded on a bid waiver basis, with the approval of US HUD, to Habitat for Humanity (Habitat) with the commitment from Habitat to build the 52 homeownership units within 18 months of receipt of building permits. Habitat is completing the permitting process and a Habitat Work Day/groundbreaking is scheduled for July 14. The permitting process has moved forward in close coordination with the Building Department. This assistance has allowed for the project to move forward as expeditiously as possible. Most recently, the Building Department issued Habitat Master Model permits, and 12 individual lots were submitted for permit processing on July 3, 2006, including three different model homes (A-4, A-7 and B-4). The Building Department believes that the process should be complete by July 7, 2006, at which time the permits will be available.

MDHA is working with Habitat to identify potential buyers for the homes in Phase I. To date, MDHA has lined up 10 former Scott/Carver residents and is currently working on an additional 10 residents. The identification of potential residents is critical to the County's commitment to return former residents to the Scott/Carver area as well as providing assistance to Habitat.

Staff has also developed a plan to develop Phase II of the project by establishing design guidelines to be developed by an outside architectural/engineering team and hiring a turnkey contractor that will perform all of the remaining work including development of infrastructure.

In addition to the construction issues, the recently appointed Management Assistance Team has identified concerns in regard to the financial status and organizational structure of the HOPE VI project. From a financial standpoint, the current sources and uses statement includes Low Income Housing Tax Credits (LIHTC) as one of the sources of funding for this project. This source is supported by US HUD as a means of leveraging public dollars with private sector investment. If the project were on track, this source of funding would be more attractive; however, given the challenges of the

development schedule and the additional requirements imposed by the LIHTC, HOPE VI management believes that the project may not currently have the capacity to use this funding. As part of the financial review that the County Manager's Management Team has requested, the sources and uses statement will be reviewed to determine whether LIHTC is viable or whether it would be preferable to substitute this with another funding source. The team has requested the assistance of OSBM in a review of the current sources and uses and to assist with the development of capital budgets that are consistent with the County's format. This assistance is occurring in coordination with the revision of the term sheets that will be submitted to US HUD.

## HOPE VI Issues and Observations

➤ HOPE VI construction is behind schedule due to a variety of decisions that made throughout the development process including: reassignment of Construction Management responsibilities from the contracted program manager H.J. Russell to in-house staff; the firing of the architect of record; a delay in the issuance of the Request for Proposal for a Phase I developer; and other resulting delays. The project has also been delayed by litigation brought against the County by community groups that were not in agreement with the relocation of Scott/Carver residents.

➤ Deadlines continue to be a challenge. After discussion with US HUD (Miami office) and the community, it may be determined that MDHA should apply to the US HUD for an extension. Failure to complete the project by the current December 2008 deadline could result in the return of the $35 million HOPE VI grant.

➤ Delays may make it difficult to use LIHTC as a project funding source. Sources and Uses statement should be reviewed and a determination made regarding the optimal funding mix.

➤ The financial management of the HOPE VI project is a potential weakness and has been identified as an area that requires additional support and resources.

➤ From an organizational perspective, the HOPE VI office has operated in isolation of the MDHA with limited oversight by other divisions such as Finance and Administration. The office is not located within the MDHA office complex, which has created an "out of sight/out of mind" attitude for the project. Furthermore, the office was organized to carry out many of the functions performed by other divisions such as client certification and administration and finance.

➤ The contract with H.J. Russell for expires in August of 2006. H.J. Russell's contract to provide Community Support Services is presently under audit by the county's Office of the Inspector General, and a draft report is expected within the next month.

## HOPE VI Recommendations

➤ Immediately finalize execution of agreement with an architecture/engineering firm for development of design criteria for Phase II of the project.

➤ Revisit and reconcile sources and uses statement for submittal to US HUD by the second week of July, including a determination of the feasibility of using the LIHTC.

➤ OSBM has agreed to take an increased role in reviewing HOPE VI project budget and financial information going forward. Chris Rose, Capital Coordinator for OSBM

will be working with Hope VI team over the coming weeks to review and revise the HOPE VI budget and financial information.

➢ Finalize method of contracting to acquire turnkey construction services for Phase II.

➢ Efforts are currently underway to relocate the HOPE VI office to the central MDHA complex and to integrate these staff functions into the appropriate divisions of MDHA.

➢ After reviewing the contract with H.J. Russell and the results of the County's Office of Inspector General report, determine in what capacity the project will use the services of H.J. Russell after August 2006.

# OTHER ISSUES

Even though the Management Assistance Team focused on the areas discussed in the previous sections, there were a few issues that came to light during the course of the Team's review in other areas that should be highlighted. These are summarized below.

➤ **Capital Design and Development (other than HOPE VI)** – MDHA's Development Division is responsible for identifying and proposing possible housing development projects along with planning the modernization of existing public housing, provision of architecture/engineering services and construction contract administration and oversight of construction and rehabilitation work. In general, this appears to be a weak function at MDHA. Though the current Director is working to review and reorganize staff responsibilities, additional assistance may be required.

➤ **Housing Information Clearinghouse** – The County is involved in the creation of a Housing Information web portal (see Appendix F) that will serve as a single repository of housing-related information for County citizens. In addition to providing information on housing programs such as Section 8 vouchers and Public Housing, the site will also provide listings of available affordable units. This endeavor is by its nature cross-departmental, and as such, it is necessary to identify processes and individuals that will be responsible for ensuring that all participating entities continue to update information as necessary and to incorporate customer feedback to ensure the ongoing usefulness of this tool.

➤ **Applicant Leasing Center (ALC)** – This division is one of the main touch points of MDHA with the clients that it serves. Over the last few years, concerns have been raised about the ALC's operation and customer service. A new Acting Director has been recently appointed. It is imperative that this function be reviewed to make sure that it is efficiently serving the needs of the community. Furthermore, it is necessary to ensure alignment and consistency between the information provided via the ALC, 311 and the new Housing Information Clearinghouse web portal.

➤ **Public Housing**

  ▪ **Funding** – As mentioned earlier, federal funding has been progressively reduced in this area over the last several years. All available information indicates that this trend will continue through the next few years. A serious evaluation of the likely impact on service levels and alternatives for supplementing federal dollars is necessary. As previously mentioned, US HUD is implementing reductions that will further reduce funding in the current fiscal year. This is a significant loss of funding to the maintenance and operation of public housing developments necessary to maintain a safe, decent and sanitary housing portfolio.

  ▪ **Vacancy Rates** – Funding cuts are having a significant negative impact on Public Housing's ability to perform work needed on units to make them habitable for tenants, and vacancy rates have again started to climb. No funding has been dedicated from the current capital budget for repairs of the 576 units identified in the Division's vacancy reduction plan. MDHA has identified funding from the Capital Fund Program (CFP) for 137 units of these units, and it is currently contracting out for repairs as small contracts. Of the remaining 439 units, approximately 300-350 units are considered "hard to ready", needing major repairs estimated at $17,000 to $20,000 per unit for which no funding has yet

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been identified. The remaining units would be absorbed by the maintenance work associated with current vacancy preparation.

- **Insurance Costs** - MDHA has recently been advised of an increase of 100% in the cost of insurance effective July 1, 2006. This increase is also compounded by changes in the minimum claim amount from $500,000 to $5,000,000, as calculated from the total insured value of the property considered as the deductible on the policy.

- **Long-term Strategy for Capital Portfolio Management** – Development of a Long-term strategic management of the County's Public Housing assets has taken a back seat to the ongoing need to adjust to funding reductions. This issue must be proactively addressed in order to avoid compounding Public Housing maintenance and rehabilitation issues in the future.

➢ **Internal Functional Review and Realignment** – An initial review of the table of organization indicates that there is some overlap of work across units within a division or across divisions. In some cases, the actual tasks performed do not appear wholly consistent with the unit's stated function. In addition, the job responsibilities of the MDHA management should be reviewed to ensure that there are appropriate levels of oversight over key areas and that the distribution of functions is optimal. An example of possible functional consolidation is in the area of capital inventory and asset management. The right balance between specialization and decentralization is essential for clear lines of accountability.

➢ **Implementation Strategy for General Obligation Bond for Affordable Housing** – The 2004 Building Better Communities General Obligation Bond Program included language supporting the development of affordable housing for ownership and leasing. Miami-Dade County voters approved a ballot question supporting the construction and improvement of housing for the elderly and families (defined as a household with two or more people). The Management Assistance Team is conducting interviews with the Office of Capital Improvements, the County Attorney's Office, MDHA and seeking the input of the County's bond counsel, private financial institutions and developers, and other housing experts to determine the best mechanism for accomplishing the implementation of the proposed initiatives listed above. Discussions are expected to continue throughout July. The results of these discussions along with recommendations will be transmitted under separate cover later this summer.

# CONCLUSION

As previously mentioned, this report presents the preliminary findings and recommendations of the Management Assistance Team for improving MDHA operations in the areas initially targeted. Though research and analysis is ongoing, work had begun on many of the recommendations highlighted herein.

A few members of the Management Assistance Team will be assigned to follow up on the issues and recommendations listed in this preliminary report. The Team will also work with MDHA to determine if it is desirable to access an outside consultant to assist with any specific areas within MDHA.

In addition, Senior Advisor Cynthia W. Curry has requested that the Management Assistance Team conduct a review of all County entities involved in the provision of housing and housing finance-related services to determine whether the current structure and distribution of functions is appropriate and to develop recommendations for improving program delivery.

# APPENDIX A: LIST OF CONTRIBUTORS - MANAGEMENT ASSISTANCE TEAM REPORT

## EXECUTIVE DIRECTION

- Cynthia W. Curry, Senior Advisor / Assistant County Manager

## MANAGEMENT ASSISTANCE TEAM MEMBERS

### TEAM LEADER
- Patricia Braynon, Director, Housing Finance Authority

### TEAM MEMBERS (IN ALPHABETICAL ORDER)
- Ivette Barbeite-Locay, Office of Strategic Business Management / Performance Improvement
- Diana Gonzalez, Office of the County Manager
- Nicolette Grenell, Office of Strategic Business Management / Budget
- Sheila Martinez, Department of Business Development
- Rodolfo Perez, Acting Director, Miami-Dade Housing Agency
- Grisel Rodriguez, Team Metro
- Aundra Wallace, Empowerment Trust

## KEY PARTICIPANTS FROM MDHA

- John Topinka, Director, Finance and Administration
- Tawana Thompson, Director, Development and Loan Administration
- Sonia Vargas, Director, Private Rental Housing Division
- Dale Poster-Ellis, Director, Quality Assurance and Compliance
- Elizabeth Ogden, Director, Design and Development Division
- Patrick Brown, Director, Public Housing
- Valeria Bland-Thomas, Acting Director, Applicant Leasing Center
- Juan Garcia, Assistant Director, Development and Loan Administration
- Lourdes Perez, Manager, Development and Loan Administration

## OTHER KEY PARTICIPANTS

- Rachel Baum, Director, Finance Department and Finance Department Staff
- Wendi Norris, Director, General Services Administration and GSA Staff
- Opal Jones, Executive Director, Affordable Housing Foundation, Inc.
- Terrence Smith, Attorney, Office of the County Attorney
- Mario Morlote, Assistant to the County Manager, Office of the County Manager
- Chris Rose, Capital Coordinator, Office of Strategic Business Management
- Ryan Neubauer, Housing Finance Authority
- Public Resources Advisory Group: Marianne Edmonds, Jeffrey Friedman, and Tom Huestis
- Larry Flood, The Larry Flood Co.

MDHA Management Assistance Team
Preliminary Report

# APPENDIX B:  MDHA FUNDING SOURCES BY DIVISION – PROPOSED FY 2006-07 BUDGET

**Funding Summary: Proposed FY2006-07 Base**
*(Thousands of dollars)*

| Revenue Type | Revenue Sources | Fund: 600 Administration /Director | 700 Affordable Housing-Surtax | 600 Compliance | 600 Develop-ment | 600 Finance & Admin. | 600 Applicant Leasing Center (Formerly New Markets) | 74 Private Rental | 01 Public Housing | Totals |
|---|---|---|---|---|---|---|---|---|---|---|
| | Notes: | | DLAD Division | | | | | | | |
| FED | Housing Assistance Payments | | | | | | | 149,858 | | 149,858 |
| PROP | Documentary Stamp Surtax | 136 | 40,173 | 116 | | 818 | 757 | | | 42,000 |
| PROP | Surtax Committed Carryover | | 38,009 | | | | | | | 38,009 |
| FED | Public Housing Subsidy | 758 | | 675 | | 1,583 | 711 | | 22,081 | 25,808 |
| PROP | Rentals | | | | | | | | 16,790 | 16,790 |
| FED | Section 8 Admin. Fee | 411 | | 507 | | 1,904 | 916 | 10,977 | | 14,715 |
| PROP | Surtax Loan Payback | | 10,000 | | | | | | | 10,000 |
| STATE | SHIP Operations | 55 | 7,876 | | | 69 | | | | 8,000 |
| PROP | SHIP Carryover | | 6,000 | | | | | | | 6,000 |
| FED | Federal Grants | | | 250 | 1,061 | 124 | | | 3,136 | 4,571 |
| PROP | Sale of Properties - Homeownership | | | | | | | | 3,187 | 3,187 |
| FED | HAP Section 8 New Construction | | | | | | | | 3,100 | 3,100 |
| STATE | Miscellaneous - Non-Operating Revenue | | 3,000 | | | | | | | 3,000 |
| PROP | Interest Income | | 2,700 | | | | | | | 2,700 |
| PROP | Lakeside & Park Lakes Revenues | | | | | | | | 2,587 | 2,587 |
| PROP | Miscellaneous Revenues | | | | | | | | 1,480 | 1,480 |
| FED | HOPE VI | | | | 1,249 | | | | | 1,249 |
| PROP | Loans Servicing Fees | | 600 | | | | | | | 600 |
| PROP | Other | | | | | | | | 131 | 131 |
| FED | Family Self Sufficiency | | | | | | | 73 | | 73 |
| PROP | Fannie Mae Reimbursement | | | | | | | | | 0 |
| | **TOTALS** | 1,360 | 108,358 | 1,548 | 2,310 | 4,498 | 2,384 | 160,908 | 52,492 | 333,858 |

*Source: Data as reported in Resourcing for Results Report, May 25, 2006*

MDHA Management Assistance Team
Preliminary Report

# Funding Summary: Proposed FY2006-07 Base
*(Percentage of total division funding from each funding source)*

| Revenue Type | Revenue Sources | 600 Admini-stration /Director | 700 Affordable Housing-Surtax | 600 Compliance | 600 Develop-ment | 600 Finance & Admin. | 600 Applicant Leasing Center | 74 Private Rental | 01 Public Housing |
|---|---|---|---|---|---|---|---|---|---|
| Notes: | | | DLAD Division | | | | Formerly New Markets | | |
| FED | Housing Assistance Payments | | | | | | | 93.13% | |
| PROP | Documentary Stamp Surtax | 10.00% | 37.07% | 7.49% | | 18.19% | 31.75% | | |
| PROP | Surtax Committed Carryover | | 35.08% | | | | | | |
| FED | Public Housing Subsidy | 55.74% | | 43.60% | | 35.19% | 29.82% | | 42.07% |
| PROP | Rentals | | | | | | | | 31.99% |
| FED | Section 8 Admin. Fee | 30.22% | | 32.75% | | 42.33% | 38.42% | 6.82% | |
| PROP | Surtax Loan Payback | | 9.23% | | | | | | |
| STATE | SHIP Operations | 4.04% | 7.27% | | | 1.53% | | | |
| PROP | SHIP Carryover | | 5.54% | | | | | | |
| FED | Federal Grants | | | 16.15% | 45.93% | 2.76% | | | 5.97% |
| PROP | Sale of Properties - Homeownership | | | | | | | | 6.07% |
| PROP | HAP Section 8 New Construction | | | | | | | | 5.91% |
| STATE | Miscellaneous - Non-Operating Revenue | | 2.77% | | | | | | |
| PROP | Interest Income | | 2.49% | | | | | | |
| PROP | Lakeside & Park Lakes Revenues | | | | | | | | 4.93% |
| PROP | Miscellaneous Revenues | | | | | | | | 2.82% |
| FED | HOPE VI | | | | 54.07% | | | | |
| PROP | Loans Servicing Fees | | 0.55% | | | | | | |
| PROP | Other | | | | | | | | 0.25% |
| FED | Family Self Sufficiency | | | | | | | 0.05% | |
| PROP | Fannie Mae Reimbursement | | | | | | | | |
| | **Totals** | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

*Source: Data as reported in Resourcing for Results Report, May 25, 2006*

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# Funding Summary: Proposed FY2006-07 Base
*(Percentage of each funding source used in each division)*

| Fund: | | | 600 | 700 | 600 | 600 | 600 | 600 | 74 | 01 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Revenue Type | Revenue Sources | | Administration /Director | Affordable Housing-Surtax | Compliance | Develop-ment | Finance & Admin. | Applicant Leasing Center *Formerly New Markets* | Private Rental | Public Housing | Totals |
| | Notes: | | | *DLAD Division* | | | | | | | |
| FED | Housing Assistance Payments | | | | | | | | 100.00% | | 100.00% |
| PROP | Documentary Stamp Surtax | | 0.32% | 95.65% | 0.28% | | 1.95% | 1.80% | | | 100.00% |
| PROP | Surtax Committed Carryover | | | 100.00% | | | | | | | 100.00% |
| FED | Public Housing Subsidy | | 2.94% | | 2.62% | | 6.13% | 2.75% | | 85.56% | 100.00% |
| PROP | Rentals | | | | | | | | | 100.00% | 100.00% |
| FED | Section 8 Admin. Fee | | 2.79% | | 3.45% | | 12.94% | 6.22% | 74.60% | | 100.00% |
| PROP | Surtax Loan Payback | | | 100.00% | | | | | | | 100.00% |
| STATE | SHIP Operations | | 0.69% | 98.45% | | | 0.86% | | | | 100.00% |
| PROP | SHIP Carryover | | | 100.00% | | | | | | | 100.00% |
| FED | Federal Grants | | | | 5.47% | 23.21% | 2.71% | 68.61% | | | 100.00% |
| PROP | Sale of Properties - Homeownership | | | | | | | | | 100.00% | 100.00% |
| FED | HAP Section 8 New Construction | | | | | | | | | 100.00% | 100.00% |
| STATE | Miscellaneous - Non -Operating Revenue | | | 100.00% | | | | | | | 100.00% |
| PROP | Interest Income | | | | | | 100.00% | | | | 100.00% |
| PROP | Lakeside & Park Lakes Revenues | | | | | | | | 100.00% | | 100.00% |
| PROP | Miscellaneous Revenues | | | | | | | | 100.00% | | 100.00% |
| FED | HOPE VI | | | | | 100.00% | | | | | 100.00% |
| PROP | Loans Servicing Fees | | | 100.00% | | | | | | | 100.00% |
| PROP | Other | | | | | | | | | 100.00% | 100.00% |
| FED | Family Self Sufficiency | | | | | | | | 100.00% | | 100.00% |
| PROP | Fannie Mae Reimbursement | | | | | | | | | | 100.00% |

*Source: Data as reported in Resourcing for Results Report, May 25, 2006*

## APPENDIX C: MDHA SOFTWARE IMPLEMENTATIONS

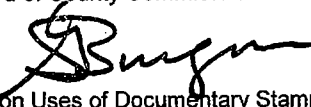| | Previously | Currently | Next Generation | Notes |
|---|---|---|---|---|
| **Development and Loan Administration** | | | | |
| RFA Database - Used to track RFA submissions from receipt through to BCC Award | Approach | Approach | Emphasys - Allocations module | The new Emphasys Allocations module has been purchased and installed on staff desktops. Training will take place this Summer. |
| Loan origination software - homeownership/rehab | Approach | Lender Online (an Emphasys module) running parallel with Approach during transition | Lender on Line | Lender Online was rolled out in March/April 2006. All new loans are being processed via this system. AOD was recently purchased by Emphasis. |
| Load origination software - developer loans | Approach | Approach/Access | Emphasys - Allocations module | Changed over to Access a few years ago because data was too much for Approach. Only brought over active records from Access. The new Emphasys Allocations module has been purchased and installed on staff desktops. Training will take place this Summer. |
| Loan servicing software - homeownership | Classic | Classic | Emphasys - SV | Classic and Emphasys reps working to prepare for the data migration and cut-over and modify SV module to accommodate special MDHA needs (ex: ability to manually assign a loan number to a new record). Staff plans to run parallel after go-live until they can confirm the software is |
| Loan servicing software - developers/rehab loans | Classic | Classic | Emphasys - SV | Same as above. |
| **Private Rental Housing (Section 8)** | | | | |
| all operational functions | LIB from Emphasis | LIB from Emphasis | Elite from Emphasis | Upgrade to Elite scheduled for October 2006. In preparation, data cleaning will begin this summer. This implementation will also upgrade the waiting list functions managed by the Applicant Leasing Center. |
| software for handhelds used in inspections | developed by in-house MIS | developed by in-house MIS | Elite from Emphasis | Along with upgrade to Elite as main software for inspections, purchased software module for handhelds that will be rolled out in October. |
| **NOTE: Future upgrades are also planned for Public Housing and Finance & Administration** | | | | |

Revised: July 6, 2006

# APPENDIX D: REPORT ON NON-RFA USES OF SURTAX FUNDS

**Memorandum** MIAMI-DADE COUNTY

**Date:** July 11, 2006

**To:** Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners

**From:** George M. Burgess
County Manager

**Subject:** REVISED - Report on Uses of Documentary Stamp Surtax Outside of the Request for
Application (RFA) Process

At the June 13, 2006 Community Empowerment and Economic Revitalization (CEER) Committee meeting, a request was made by Commissioner Barbara J. Jordan for staff to provide a report reflecting Documentary Stamp Surtax funds used for projects approved outside of the annual Request for Application (RFA) process.

The formal RFA process is performed annually with developers applying for Surtax funding in response to a competitive process. Applications are reviewed and scored with developers having the opportunity to meet with the review committee prior to final scoring. The recommendations for funding are made by staff to the Affordable Housing Advisory Board, with the Board of County Commissioners (BCC) having final approval.

This report outlines three ways in which Documentary Stamp Surtax funds have been utilized outside of the annual RFA process. Based on the records maintained by staff, the most accurate information which runs from 1999 to the present, is included in the attachments.

- One of the ways funds are utilized is through the provision of "gap" financing to developers. In most cases, the developer responds to the RFA, and a certain amount of funds is appropriated by the BCC. However, as the project develops, the developer encounters a financing gap and presents an additional request to the MDHA for review and further consideration by the Affordable Housing Advisory Board (AHAB). Upon approval by MDHA and AHAB, the requests are forwarded to the BCC for consideration and approval. According to the information in <u>Attachment 1</u>, the Board has approved a total of $58.845 million in gap financing through 74 separate resolutions since 2000.

- In other instances, the flow of federal funds is not sufficient to address the cash flow needs of the Public Housing and Section 8 Programs. <u>Attachment 2</u> details the total use of approximately $36 million of Documentary Surtax funds for MDHA needs such as the repayment of the Fannie Mae line of credit for infill developers, and the rehabilitation of public housing units, among others.

- During the annual RFA selection process, developers have a thirty (30) day period to respond and submit applications for funding. However, immediate funding due to emergencies may be needed in addition to any funds allocated through the RFA process. These items in <u>Attachment 3</u> are not categorized as gap financing for developers; however, they are projects that require emergency or otherwise significant assistance to families in jeopardy of losing their homes due to tragic incidents such as 9-11. The BCC has moved forward with programs such as Home Savers program and included provisions to provide additional rental and mortgage assistance. In addition to providing emergency relief, the Board also authorized the County Manager to perform actions necessary to address the vital issue of providing housing for the low and very low income elderly by working with not-for-profit 501(c)(3) corporations to proceed to develop the aforementioned housing. Attachment 3 includes a total of $46.771 million through Board approved resolutions to meet these various needs.

Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners
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Staff is currently reviewing the Documentary Stamp Surtax Program and preparing a cash flow analysis. Findings and recommendations from the review will be presented to the Board at a later date. If you have any questions regarding the information in this report or on the Program, please feel free to contact Senior Advisor Cynthia W. Curry at 305-375-4126.

Attachments


C;      Cynthia W. Curry, Senior Advisor
        Jennifer Glazer-Moon, Director, Office of Strategic Business Management
        Rudy Perez, Interim Director, Miami-Dade Housing Agency
        Miami-Dade Housing Agency Management Team Members

## Non RFA Surtax Funding Usage
## GAP Financing to Developers
## 2000-2006

| # | Organization | Activity Name | Authorizing Resolution | Amount Awarded (a) | Cancelled Contracts (b) | Net Award (a-b=c) | Total Draws (d) | Balance (c-d=e) | Comm. Dist. | Units Funded | Units Completed | Previous Allocation(s) 1,2 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | 1200 Homestead 72, LLC | 1200 Homestead 72, LLC | R-511-06 | $415,000 | 0 | $415,000 | 0 | $415,000 | 9 | 72 | 0 | 3,500,000 |
| 2 | Community Reinvestment Agency | 120-128 SW 17th Ct | R-354-01 | 300,000 | 300,000 | 0 | 0 | 0 | 5 | 0 | 0 | N/A |
| 3 | Miami Beach Community Development Corpora | 1551 Pennsylvania Ave | R-354-01 | 300,000 | 0 | 300,000 | 300,000 | 0 | 5 | 20 | 20 | N/A |
| 4 | Miami Beach Community Development Corpora | 1551 Pennsylvania Ave | R-205-03 | 200,000 | 0 | 200,000 | 200,000 | 0 | 5 | – | 0 | N/A |
| 5 | The Cornerstone Group Associates, Ltd. | Alhambra Cove Apartments | R-54-04 | 1,200,000 | 0 | 1,200,000 | 1,200,000 | 0 | 2 | 240 | 240 | 1,000,000 |
| 6 | The Cornerstone Group Associates, Ltd. | Altamira (Metrorail) | R-719-04 | 2,000,000 | 2,000,000 | 0 | 0 | 0 | 2 | 0 | 0 | 1,000,000 |
| 7 | Opa-Locka Community Development Corporati | Aswan Village Apart. | R-605-03 | 500,000 | 500,000 | 0 | 0 | 0 | 1 | 0 | 0 | 250,000 |
| 8 | Opa-Locka Community Development Corporati | Aswan Village Apart. | R-312-04 | 300,000 | 300,000 | 0 | 0 | 0 | 1 | 0 | 0 | |
| 9 | Opa-Locka Community Development Corporati | Aswan Village Apart. | R-822-01 | 750,000 | 750,000 | 0 | 0 | 0 | 1 | 0 | 0 | |
| 10 | The Cornerstone Group/Baywinds Associates, l | Baywinds Apartments | R-207-03 | 750,000 | 0 | 750,000 | 750,000 | 0 | 4 | 200 | 200 | 1,000,000 |
| 11 | The Cornerstone Group/Baywinds Associates, l | Baywinds Apartments | R-837-05 | 850,000 | 0 | 850,000 | 850,000 | 0 | 4 | – | 0 | |
| 12 | The Cornerstone Group/Bonita Pointe Associat | Bonita Pointe Apartments | R-52-04 | 1,250,000 | 0 | 1,250,000 | 1,250,000 | 0 | 9 | 164 | 164 | 1,000,000 |
| 13 | Brisas Del Mar Limited Partnership | Brisas Del Mar Apartments | R-206-03 | 1,000,000 | 0 | 1,000,000 | 1,000,000 | 0 | 5 | 160 | 160 | 1,500,000 |
| 14 | Peninsula at Keystone, Inc. | Byron Air Apartments | R-354-01 | 300,000 | 300,000 | 0 | 0 | 0 | 4 | 0 | 0 | 500,000 |
| 15 | Cameron Creek, Ltd. | Cameron Creek Apart. | R-889-01 | 500,000 | 500,000 | 0 | 0 | 0 | 9 | 0 | 0 | 700,000 |
| 16 | Captiva Club Associates, Ltd. | Captiva Club Apartments | R-1366-04 | 850,000 | 0 | 850,000 | 850,000 | 0 | 9 | 136 | 136 | N/A |
| 17 | Urban Jubilee Centennial | Carrie P. Meek Manor | R-257-06 | 978,450 | 0 | 978,450 | 0 | 978,450 | 9 | 136 | 0 | 500,000 |
| 18 | East Little Havana Community Development Ce | Casa Grande Tower II/Brickell View | R-622-01 | 850,000 | 850,000 | 0 | 0 | 0 | 3 | 70 | 70 | 500,000 |
| 19 | Citadel Holdings Group, Inc. | Citadel Housing | R-354-01 | 260,000 | 260,000 | 0 | 0 | 0 | 5 | 0 | 0 | 720,000 |
| 20 | New Miami City View, LLC | City View Towers | R-853-04 | 500,000 | 500,000 | 0 | 0 | 0 | 5 | 0 | 0 | 250,000 |
| 21 | Country Club Villas II, Ltd. | Country Club Villas | R-425-06 | 750,000 | 0 | 750,000 | 0 | 750,000 | 13 | 216 | 216 | 500,000 |
| 22 | Country Club Villas II, Ltd. | Country Club Villas II Apts. | R-869-01 | 447,105 | 0 | 447,105 | 447,105 | 0 | 13 | 214 | 214 | 500,000 |
| 23 | Carrfour Supportive Housing, Inc./Harding Villa | Harding Village | R-751-03 | 100,000 | 0 | 100,000 | 100,000 | 0 | 4 | 92 | 0 | 900,000 |
| 24 | Carrfour Supportive Housing, Inc./Harding Villa | Harding Village | R-311-04 | 400,000 | 0 | 400,000 | 400,000 | 0 | 4 | – | 0 | N/A |
| 25 | The Cornerstone Group/Hibiscus Pointe Assc. | Hibiscus Pointe Apartments | R-1315-04 | 1,300,000 | 0 | 1,300,000 | 1,300,000 | 0 | 2 | 212 | 212 | 1,000,000 |
| 26 | Neighbors and Neighbors Association, Inc. | Infill Development | R-145-03 | 350,000 | 350,000 | 0 | 0 | 0 | 3 | 0 | 0 | N/A |
| 27 | Miami Supportive Housing, Inc. | Infill/Christian Hospital Homeless Fi | R-481-05 | 250,000 | 0 | 250,000 | 0 | 250,000 | 3 | 74 | 74 | 1,200,000 |
| 28 | Greater Miami Neighborhoods, Inc. | Infill/Dupuis Pointe Homes | R-57-04 | 300,000 | 0 | 300,000 | 0 | 300,000 | 2 | 27 | 0 | 1,500,000 |
| 29 | Greater Miami Neighborhoods, Inc. | Infill/Hidden Grove Apartments | R-512-06 | 2,500,000 | 0 | 2,500,000 | 0 | 2,500,000 | 9 | 222 | 222 | 750,000 |
| 30 | Carrfour Supportive Housing, Inc. | Infill/Little Haiti Gateway Housing | R-82-03 | 200,000 | 0 | 200,000 | 200,000 | 0 | 3 | 80 | 80 | 140,000 |
| 31 | The Cornerstone Group/San Marco Associates, | Infill/San Marco Apartments | R-1354-01 | 250,000 | 250,000 | 0 | 0 | 0 | 9 | 0 | 0 | N/A |
| 32 | Urban League of Greater Miami | Infill/Sugar Hill Apartments | R-374-05 | 1,100,000 | 0 | 1,100,000 | 0 | 1,100,000 | 2 | 132 | 0 | 500,000 |
| 33 | Urban League of Greater Miami | Infill/Sugar Hill Apartments | R-668-02 | 1,000,000 | 0 | 1,000,000 | 0 | 1,000,000 | 2 | – | 0 | 1,000,000 |
| 34 | Miami Supportive Housing, Inc. | Infill/Villas Del Lago | R-208-03 | 1,000,000 | 0 | 1,000,000 | 1,000,000 | 0 | 1 | 288 | 288 | N/A |
| 35 | Greater Miami Neighborhoods, Inc. | Infill/Wynwood/Pinnacle View | R-822-01 | 750,000 | 0 | 750,000 | 750,000 | 0 | 3 | 186 | 186 | 500,000 |
| 36 | Greater Miami Neighborhoods, Inc. | Island Place Apartments | R-869-01 | 750,000 | 0 | 750,000 | 750,000 | 0 | 4 | 199 | 199 | 500,000 |
| 37 | Jubilee Community Development Corporation | Jubilee Villas | R-354-01 | 250,000 | 0 | 250,000 | 250,000 | 0 | 5 | 10 | 10 | N/A |
| 38 | Peninsula Housing Development | La Palma Apartments | R-373-05 | 500,000 | 0 | 500,000 | 0 | 500,000 | 5 | 91 | 91 | 500,000 |
| 39 | Latin Q Tower, LLC | Latin Q Tower | R-427-06 | 1,000,000 | 0 | 1,000,000 | 0 | 1,000,000 | 5 | 60 | 0 | N/A |
| 40 | Pinnacle Housing Group | Los Suenos | R-47-06 | 1,000,000 | 0 | 1,000,000 | 1,000,000 | 0 | 3 | 179 | 0 | 1,000,000 |

1. Previous appropriations awarded through through RFA process. Dollars include SHIP and Surtax.
2. N/A-Did not receive Ship nor Surtax funds in previous allocations.

MDHA Management Assistance Team

Preliminary Draft

Attachment 1

## Non RFA Surtax Funding Usage
## GAP Financing to Developers
## 2000-2006

| | Organization | Activity Name | Authorizing Resolution | Amount Awarded (a) | Cancelled Contracts (b) | Net Award (a-b=c) | Total Draws (d) | Balance (c-d=e) | Comm. Dist. | Units Funded | Units Completed | Previous Allocation(s) (1) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 41 | Marbrisa Apartments, Ltd. | Marbrisa Apartments | R-354-01 | 250,000 | 0 | 250,000 | 250,000 | 0 | 1 | 368 | 368 | N/A |
| 42 | M & B Developers | Mas East Homes | R-1342-00 | 500,000 | 500,000 | 0 | 0 | 0 | 8 | 0 | 0 | 500,000 |
| 43 | Miami 56, LLC | Miami 56 | R-852-04 | 2,000,000 | 2,000,000 | 0 | 0 | 0 | 5 | 0 | 0 | N/A |
| 44 | Monterey Pointe Associates | Monterey Pointe Apartments | R-622-01 | 750,000 | 0 | 750,000 | 750,000 | 0 | 9 | 336 | 336 | 250,000 |
| 45 | Pinnacle/Old Cutler Village, Ltd. | Old Cutler Village Apts. | R-1267-03 | 750,000 | 0 | 750,000 | 750,000 | 0 | 9 | 288 | 288 | 500,000 |
| 46 | Greater Miami Neighborhoods, Inc./Palermo La | Palermo Lake Apts./Le Chalet Apts. | R-48-06 | 2,000,000 | 0 | 2,000,000 | 0 | 2,000,000 | 6 | 110 | 0 | 1,000,000 |
| 47 | Park Towers Associates, Ltd. | Park Towers | R-53-05 | 50,000 | 50,000 | 0 | 0 | 0 | 5 | 0 | 0 | 500,000 |
| 48 | Pinnacle Housing Group | Pinnacle Lakes Apartments | R-869-01 | 750,000 | 0 | 750,000 | 750,000 | 0 | 1 | 226 | 226 | 250,000 |
| 49 | Pinnacle Housing Group | Pinnacle Lakes Apartments | R-210-03 | 1,000,000 | 0 | 1,000,000 | 1,000,000 | 0 | 1 | - | 0 | |
| 50 | Pinnacle Housing Group | Pinnacle Lakes Apartments | R-1423-04 | 750,000 | 0 | 750,000 | 750,000 | 0 | 1 | - | 0 | |
| 51 | Allapattah Business Development Authority | Ralph's Plaza I | R-117-01 | 250,000 | 0 | 250,000 | 250,000 | 0 | 3 | 14 | 14 | N/A |
| 52 | Pinnacle Housing Group | Rayos Del Sol Apartments | R-210-03 | 750,000 | 0 | 750,000 | 750,000 | 0 | 5 | 199 | 199 | 1,000,000 |
| 53 | Allapattah Business Development Authority | Reh Small Rental Bldg I | R-354-01 | 166,667 | 166,667 | 0 | 0 | 0 | 3, 13 | 0 | 0 | N/A |
| 54 | Allapattah Business Development Authority | Reh Small Rental Bldg II | R-354-01 | 166,666 | 166,666 | 0 | 0 | 0 | 2, 3, 4 | 0 | 0 | N/A |
| 55 | Allapattah Business Development Authority | Reh Small Rental Bldg III | R-354-01 | 166,666 | 166,666 | 0 | 0 | 0 | 2, 3, 5 | 0 | 0 | N/A |
| 56 | Metro-Miami Community Development Corpora | Rehab of Rental Bldg I | R-354-01 | 166,667 | 166,667 | 0 | 0 | 0 | 3, 4 | 0 | 0 | N/A |
| 57 | Metro-Miami Community Development Corpora | Rehab of Rental Bldg II | R-354-01 | 166,667 | 166,667 | 0 | 0 | 0 | 2, 3 | 0 | 0 | N/A |
| 58 | Metro-Miami Community Development Corpora | Rehab of Rental Bldg III | R-354-01 | 166,667 | 166,667 | 0 | 0 | 0 | 3, 4 | 0 | 0 | N/A |
| 59 | Enterprise Community Development Corporatic | River Run South Apartments | R-314-04 | 1,000,000 | 0 | 1,000,000 | 1,000,000 | 0 | 5 | 174 | 0 | 1,000,000 |
| 60 | New World Center Foundation | Rok Tower | R-354-01 | 500,000 | 500,000 | 0 | 0 | 0 | 5 | 0 | 0 | N/A |
| 61 | Running Brook Associates | Running Brook Apartments | R-369-01 | 500,000 | 500,000 | 0 | 0 | 0 | 9 | 0 | 0 | N/A |
| 62 | The Carlisle Group/Santa Clara Apartments II, | Santa Clara Apartments II | R-777-06 | 1,160,000 | 0 | 1,160,000 | 0 | 1,160,000 | 3 | 204 | 204 | 2,000,000 |
| 63 | Carrfour Supportive Housing, Inc. | Sunsouth Place | R-372-05 | 775,000 | 0 | 775,000 | 0 | 775,000 | 5 | 70 | 0 | 904,595 |
| 64 | Penninsula at Aventura, Inc. | Surfside Apartments | R-354-01 | 300,000 | 300,000 | 0 | 0 | 0 | 4 | 0 | 0 | N/A |
| 65 | Temple Court Partners, Ltd. | Temple Court Apartments | R-256-06 | 1,000,000 | 0 | 1,000,000 | 0 | 1,000,000 | 5 | 61 | 0 | 1,000,000 |
| 66 | Citadel Holdings Group, Inc. | The Citadel Condominiums | R-354-01 | 260,000 | 0 | 260,000 | 260,000 | 0 | 5 | 7 | 7 | 710,000 |
| 67 | Pinnacle Housing Group | The Corinthian Apartments | R-753-03 | 3,000,000 | 3,000,000 | 0 | 0 | 0 | 2 | 0 | 0 | 6,000,000 |
| 68 | Pinnacle Housing Group | The Corinthian Apartments | R-258-06 | 4,000,000 | 0 | 4,000,000 | 0 | 4,000,000 | 2 | 126 | 0 | |
| 69 | Tuscan Place, Ltd. | Tuscan Place | R-968-04 | 2,000,000 | 0 | 2,000,000 | 2,000,000 | 0 | 3 | 199 | 199 | N/A |
| 70 | Tuscan Place II, Ltd. | Tuscan View Apartments | R-1334-05 | 2,000,000 | 0 | 2,000,000 | 2,000,000 | 0 | 3 | 175 | 0 | 1,000,000 |
| 71 | Tuscany Place Associates | Tuscany Place Apartments | R-1088-04 | 1,000,000 | 0 | 1,000,000 | 1,000,000 | 0 | 8 | 340 | 0 | 6,000,000 |
| 72 | The Cornerstone Group/Villa Capri Associates, | Villa Capri Apartments | R-750-03 | 1,000,000 | 1,000,000 | 0 | 0 | 0 | 9 | 0 | 0 | N/A |
| 73 | Model Housing Cooperative | Villas Dr. Godoy | R-1354-01 | 300,000 | 0 | 300,000 | 275,008 | 24,992 | 5 | 32 | 32 | 150,000 |
| 74 | Opa-Locka Community Development Corporatic | Westview Terrace Apartments | R-1424-04 | 1,000,000 | 0 | 1,000,000 | 1,000,000 | 0 | 2 | 421 | 0 | 1,500,000 |
| | | | | $58,845,555 | $15,710,000 | $43,135,555 | $25,382,113 | $17,753,442 | | 6,830 | 4,532 | |

1. Previous appropriations awarded through through RFA process. Dollars include SHIP and Surtax.
2. N/A-Did not receive Ship nor Surtax funds in previous allocations.

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07/11/2006

Attachment 2

# Non RFA Surtax Funding Usage
## Housing Agency Activities

| Organization | Activity Name | Date / Authorization | Award Amount | Amount Disbursed | Comm. District | Units |
|---|---|---|---|---|---|---|
| 1 MDHA Dev. Corp. | HOPE VI -Ward Towers ALF | R-903-00 | $ 6,500,000 | $ 6,500,000 | 3 | 100 |
| 2 HJ Russell | HOPE VI Revitalization Program / Administration | R-132-06 | 830,000 | - | 2 | n/a |
| 3 Hometown Station | MDHA Central Office Building | R-747-03 | 5,000,000 | 5,000,000 | 7 | n/a |
| 4 MDHA | Public housing vacancy reduction | See 4 below | 3,000,000 | 3,000,000 | Countywide | n/a |
| 5 MDHA | Cash flow transfer | See 5 below | 5,000,000 | 5,000,000 | n/a | n/a |
| 6 Fannie Mae | Fannie Mae Line of Credit | R1453-97 | 5,000,000 | 5,000,000 | Countywide | n/a |
| 7 MDHA | Loan to MDHA PH & Sec.8 | R-164-06 | 9,600,000 | 9,600,000 | n/a | n/a |
| 8 MDHA | Rent on Coral Way Building | ---- | 735,142 | 735,142 | n/a | n/a |
| 9 MDHA | Indirect Costs Annual Charge | ---- | 775,000 | 775,000 | n/a | n/a |
| | | Total | $36,440,142 | $35,610,142 | | 100 |

NOTES TO EACH LINE ITEM:

1 Development is complete and leased, and currently managed by MDHA; there are issues pending regarding Ward Towers finance close out, review of change orders, and a swimming pool.

2 Amendment to extend the program management contract for Scott Carver HOPE VI redevelopment.

3 Equity down payment for central office building; funding is currently being audited by Audit and Management Services.

4 For rehabilitation of public housing units as part of vacancy reduction program; MDHA will reschedule repayment of this loan over the next 5 years.

5 Funds placed in MDHA account to assist with cash flow due to change in federal funding from annual to monthly disbursement per Oct 24, 2002 transfer authorization letter (FL Stat 136.06).

6 Repayment of Fannie Mae line of credit (for infill development) per agreement; developers continue to repay loans with a balance due of $2,775,772.

7 For rehabilitation of public housing units as part of vacancy reduction program; MDHA will schedule repayment of this loan over the next 10 years beginning in 2007.

8 Loan of $735,142 made in Sept 2001 and so far has been reimbursed $584,887.97 to date with the expected balance of $150,253.50 to be paid off in current fiscal year.

9 Expected full reimbursement in current fiscal year.

07/11/2006

MDHA Management Assistance Team

## REVISED
## Non RFA Surtax Funding Usage
## Supplemental Projects
## (1999 to present)

| Organization | Activity Name | Resolution Number | Award Amount | Amount Disbursed | Comm District | Units Funded | Units Completed | Contract | Expiration Date |
|---|---|---|---|---|---|---|---|---|---|
| **Non-Construction Loans (Housing Programs)** | | | | | | | | | |
| 1 HFA | Deep Subsidy Mortgage Program 1999 | R-599-99 | $2,000,000 | $2,000,000 | Countywide | n/a | n/a | n/a | |
| | Deep Subsidy Mortgage Program 2000 | R-478-00 | 2,000,000 | 2,000,000 | Countywide | n/a | n/a | n/a | |
| | Deep Subsidy Mortgage Program 2001 | R-330-01 | 1,727,490 | 1,727,490 | Countywide | n/a | n/a | n/a | |
| | Deep Subsidy Mortgage Program 2002 | R-1355-01 | 2,000,000 | 2,000,000 | Countywide | n/a | n/a | n/a | |
| | Deep Subsidy Mortgage Program 2006 | n/a | 2,000,000 | 2,000,000 | Countywide | n/a | n/a | n/a | |
| 2 HFA | Home Savers Program (49 loans) | R-1085-01 | 2,000,000 | 2,000,000 | Countywide | n/a | n/a | n/a | |
| 3 HFA | Housing Scott/Carver Residents | R-376-01 | 6,000,000 | 6,000,000 | 2 | 150 | 5 | n/a | |
| **Construction Loans** | | | | | | | | | |
| 4 MDHA Development Corp. | Commission Dist. 10/Postmaster Apartments | R-494-02 | 2,000,000 | 2,000,000 | 10 | 40 | 0 | yes | * |
| 5 MDHA Development Corp. | Commission Dist. 5/Affordable Elderly Housing | R-494-02 | 2,000,000 | 2,000,000 | 5 | 40 | 0 | yes | June 2007 * |
| 6 MDHA Development Corp. | Commission Dist. 6/Affordable Elderly Housing | R-494-02 | 2,000,000 | 2,000,000 | 8 | 40 | 0 | yes | June 2007 * |
| 7 MDHA Development Corp. | JPM Centre/Townhouse Villas | R-495-02 | 2,000,000 | 2,000,000 | 1 | 30 | 0 | yes | June 2007 * |
| 8 MDHA Development Corp. | Gran Via Elderly Housing Park & Ride Development/Eight St. | R-921-03 | 2,000,000 | | 11 | 54 | 0 | yes | September 2007 |
| 9 MDHA Development Corp. | Gran Via Elderly Housing Park & Ride Development/Eight St. | R-1336-05 | 2,500,000 | | 11 | - | 0 | yes | September 2008 |
| 10 MDHA Development Corp. | Smathers Plaza Assisted Living | R-610-03 | 3,000,000 | | 7 | 105 | 0 | yes | September 2008 |
| 11 MDHA Development Corp. | 11010 Pinkston Drive | R-1310-03 | 2,000,000 | | 9 | n/a | 0 | yes | September 2006 |
| 12 MDHA Development Corp. | Senator Villas Park/Bird Road Park & Ride Elderly Housing Dev | R-289-02 | 2,800,000 | 1,501,000 | 10 | 12 | 0 | yes | March 2010 |
| 13 MDHA Development Corp. | 66 Infill lots | R-109-05 | 2,500,000 | | 2,3 | 68 | 0 | pending | April 2010 |
| 14 HJ Russell | Liberty City Beautification Program Rehabilitation | R-88-06 | 1,972,000 | | 2 | n/a | 0 | under review (CAO) | |
| 15 HJ Russell | Opa-Locka Triangle Beautification Rehabilitation | R-1354-05 | 1,972,000 | | 1 | n/a | 0 | under review (CAO) | |
| 16 Opa locka CDC | Opa-Locka Triangle Home Rehabilitation | R-1353-05 | 1,200,000 | | 1 | n/a | 0 | under review (CAO) | |
| 17 Empowerment Zone Trust | 11 Infill Lots | R-470-06 | 1,100,000 | | | 11 | 0 | pending | |
| | Total | | $46,771,490 | $27,228,490 | | 550 | 5 | | |

\* Funds disbursed prior to contract execution

**NOTES TO PARTICULAR LINE ITEMS:**

1 Funds were part of settlement agreement between the HFA & MDHA for loan repayment to the HFA. Repayments received on outstanding mortgages are recycled into a revolving loan fund to issue additional mortgages.

2 There were 45 Homesavers loans and four (4) anti-predatory loans. Homesavers originated for post 9-11 victims. Funds recycled into an anti-predatory lending program.

3 $5,036,763.50 has been returned to MDHA

4 Property purchased from USPS is being co-developed with Pinnacle Housing Group

5,6 No property yet identified for development within the specific districts

10 Funds awarded along with former public housing property; units have been demolished, and there is currently no update on the construction status.

07/11/2006

# APPENDIX E: AREAS OF POSITIVE IMPROVEMENT WITHIN PRIVATE RENTAL HOUSING

| Overall organization of PRH and Employee Management |
|---|
| The two assistant directors demonstrate a sense of urgency, knowledge of the operations, and the skills and abilities to lead, motivate and refine processes. The Director is in close daily communication with the assistants. |
| Line staff is being involved and informed of the "big picture." Team building skills and other training have been given to staff and more training will be made available as needed. All staff has received training and support in dealing organizational change and how to cope with it. |
| Lower level managers (team leaders and unit supervisors) have been encouraged and empowered to analyze their needs from the bottom-up and to bring solutions to the table. This is essential to break the culture of blame, lack of civility, lack of accountability and lax work habits that have been noted in management studies. |
| New job classifications and descriptions will more accurately list the knowledge, skills and abilities required for successful performance to meet PRH's goals and the federal requirements. These new positions include performance measures. |
| Key positions such as Chief Housing Inspector will be recruited to gather a team that will enhance PRH's chances of success. |
| Employees are being held accountable for poor performance. Progressive discipline is being followed to hold staff accountable for gross mistakes and inconsistencies. |
| Two years ago MDHA produced new policies and procedures for Operations. These documents were not passed downward into the organization. The new managers have reviewed, revised and transmitted the new procedures to staff and have been overseeing their implementation. As part of this change, all of the Section 8 forms were reviewed and revised. |
| Managers have been establishing internal performance measures that have a direct relationship to the elements of the Rental Integrity Monitoring Survey (RIMS) which is used by US HUD to measure the agency. In addition, a 5% survey sample has been expanded to check the quality of tenant annual re-examinations, new leases, and interim tenant changes. |
| In its next step, Section 8 managers are working with Florida International University's Institute of Government to give the performance measures a weighted rank to determine the measures that will have the greatest impact on the agency's SEMAP score. |
| One year ago, MDHA was required to start using the Enterprise Income Verification (EIV) application to verify Section 8 tenant income. New management has implemented the use of this required application and is actively monitoring the quality of information being entered and the error rate. |

| PRH Services - Inspections |
|---|
| The top manager of inspections was removed and a new recruitment will open for a better suited manager. Reorganization is being completed to flatten the organization to improve communication and oversight of this function. |
| Vacancies and overages are to be filled to bring the unit to full staffing. |
| HQS inspections are being carried out on a timely basis to meet the requirements of US HUD and the Administrative Plan. The need to add staff has been noted. The 5% goal must be met to assure compliance with HQS audit. The managers of Public Housing who are responsible for Housing Quality Assurance (HQA) reviews have been assisting Section 8 by providing additional auditing of HQS reviews in private rental housing. Compliance staff has also assisted to assure the levels of work are satisfactory. It is important to note that MDHA is exceeding the required sample size to be sure that units are being properly reviewed. |
| Certification training was held for all of the staff by a national level consultant. The results of the training demonstrated that local staff is knowledgeable. |
| Although the Board of County Commissioners has yet to approve the purchase of a software module for housing inspections, administration staff hope to buy the module and implement it later this year. New handhelds will be part of the change as well as new Windows based computers that are necessary to handle the new software. |

## New Customer Service and Information Unit

| |
|---|
| Staff is committed to meeting a September 2006 deadline for KB updates and 311 operator training. 311 staff has reserved a launch date in October for transferring calls to 311. Staff needs to work out a call back procedure and policies around meeting service level deadlines. |
| Staff plans to create more publications and pamphlets that are easier to read and in trilingual formats |
| More attention is getting paid to education and information for the landlords. |
| Ongoing reorganization of the unit presents the opportunity to write a position description to hire the appropriate individual to manage the in-house KB and supervise the change management processes to ensure accurate and timely information for all type of customers. |

## PRH Operations - Housing Applicant Processing and Landlord Leasing Administration

| |
|---|
| The recent reorganization addressed some of the issues of prior management reviews relating to lost files, bad information and lack of continuity to close files. |
| Senior manager's are focused on achieving a satisfactory score on the PIC and SEMAP |
| Inadequate performance is being addressed and training needs are being assessed to provide skill building courses to help the existing employees succeed in their new classification and job requirements. |
| A new software package will have features built in that if properly used, will lower the error rates on the PIC according to the Assistant Director for Administration. |

## APPENDIX F: MEMORANDUM REGARDING CREATION OF HOUSING DATA CLEARINGHOUSE

# Memorandum MIAMI-DADE COUNTY

**Date:** May 25, 2006

**To:** Distribution List

**From:** Cynthia W. Curry
Senior Advisor to the County Manager

**Subject:** Housing Data Clearinghouse

---

On July 24, 2001 the Department of Planning and Zoning was directed by the Board of County Commissioners, under Resolution R-870-01, Sect. 3, to develop a housing data clearinghouse. The initial purpose of the Clearinghouse was to assemble, produce and provide easy access to data on government-assisted housing supply from a variety of sources that include the U.S. Census and federal, state and locally-funded programs. The DP&Z has done an excellent job establishing and maintaining the Housing Data Clearinghouse up to date.

It is now time to increase the visibility and the functionality of this valuable resource. In the coming months a freshly redesigned Affordable Housing Information Clearinghouse will be given a place of prominence on the County website. This increased visibility will be accompanied by increased functionality. Through this One-Stop portal, renters, potential owners, lenders, developers, employers and other community groups and organizations will have access to the broad array of data, programs and opportunities provided by the County and its partners to address the affordable housing crisis in our region.

For this initiative to be successful, all of our departments must be involved in the design of the Clearinghouse and its portal access. To this end, we are requesting that you assign a representative from your staff to be a member of the Affordable Housing Information Clearinghouse Design Team. This person will work with the Enterprise Technology Services Department and the Office of the County Manager in ensuring that the right information is made available to our residents in the most effective way.

We are scheduling a meeting of this Design Team on Thursday, June 1, 2006 at 2:00 P.M. in the 10th floor large conference room to initiate this effort. Dr. Guillermo Grenier will be facilitating the meeting and members of the Enterprise Technology Services Department will brief the group on the needs and goals of the program and the role that each department plays in its success. You are welcome to attend the meeting but we require that your representative be present to help us get started on this process.

Attached you will find a brief form for you to indicate the name and contact information of your designated representative. Please return this form to Ingrid Bethune via e-mail (Bethune@miamidade.gov) or fax at 305-679-7554.

I look forward to working with you on this important project.

Distribution List:
Judi Zito, Chief Information Officer
Patricia J. Braynon, Director, Housing Finance Authority
Ophelia Brown, Director, Community Action Agency
Karen P. Moore, Director, Urban Revitalization Task Force
Diane O'Quinn Williams, Director, Planning and Zoning
Rudy Perez, Interim Director, Miami-Dade Housing Agency
David Raymond, Executive Director, Homeless Trust
Silvia M. Unzueta, Acting Director, Office of Community and Economic Development
Milton Vickers, President/CEO, Metro-Miami Action Plan
Aundra Wallace, Director, Miami-Dade Empowerment Trust

c:     George M. Burgess, County Manager

[ END OF PRELIMINARY REPORT ]